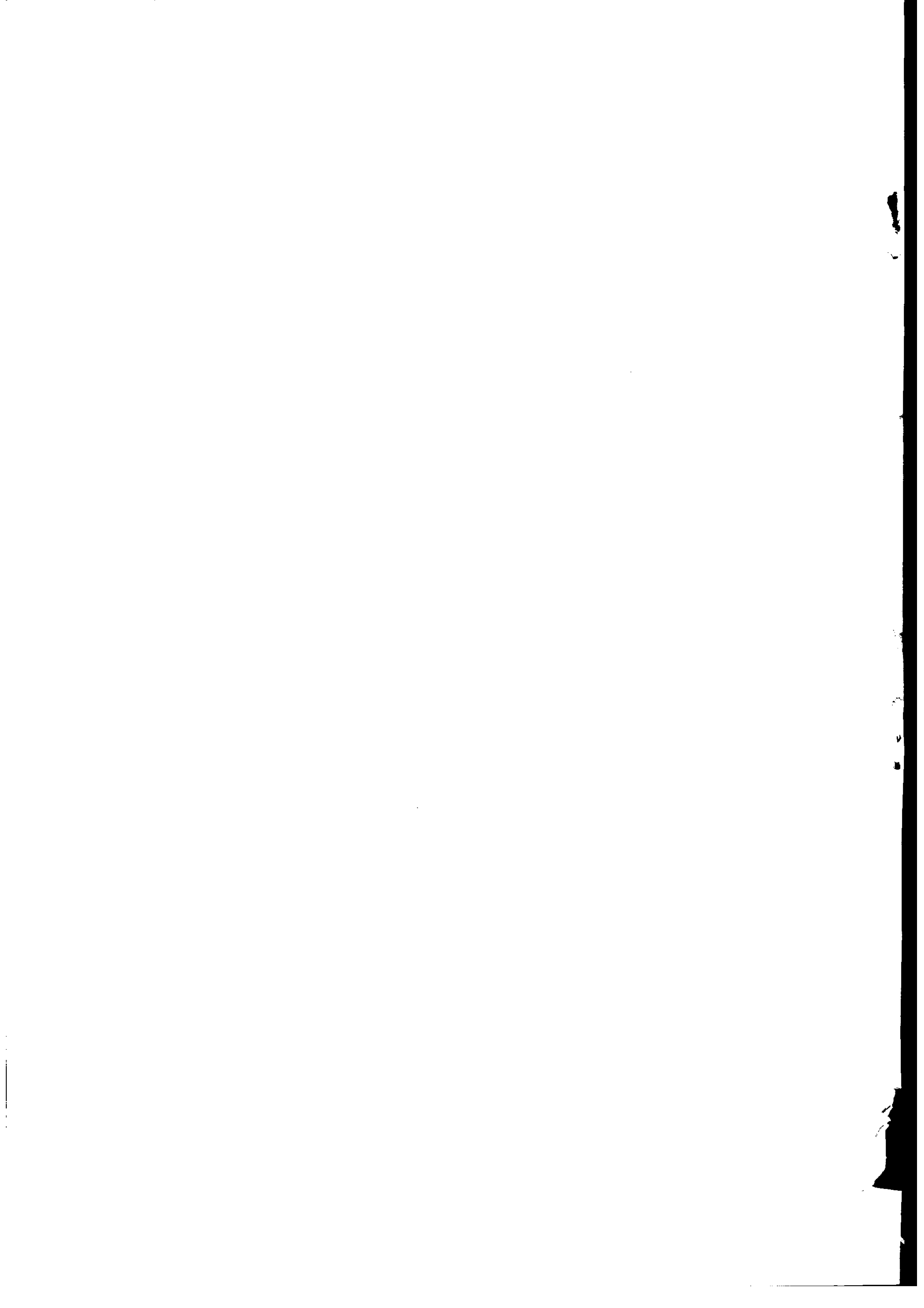
Arab Academy for Science, Technology and
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Transport Operations Management (1)
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2003



بسم الله الرحمن الرحيم

"وما توفيقي إلا بالله عليه توكلت واليه أنيب"

صدق الله العظيم

سورة هود الآية87

Contents

Introduction

One of the most prominent characteristics on our planet earth is the water present in seas and oceans, which cover about 71% of its total surface area, this huge area of water is used as a source of living, and a very cheap transportation mean.

Lately, marine transport has been playing a vital role in the making of the human culture, and during its progress since the first civilizations in the early centuries, the marine transportation is progressing along, as the transportation services has witnessed huge shift in its importance, not only the ships as the most important economic unit but also all of the elements of marine transportation.

The external trade is considered, for any country, one of the most important factors for its economic development, and the commercial exchange is greatly related to the presence of adequate transportation means. Thus, the presence of an

economic transportation mean which is fairly competent and regular, is a main factor in helping achieving the aims of commercial exchange in the global level and the domestic level too. And that is achieved through the marine transportation, specially transportation via regular lines, which this research is talking about in thorough details, as it is discussing all the elements of this issue that help making this service, which about 80% of the global trade is done through, successful. Although this service is related to the cargo itself, but it is a huge percent that no one can ignore, therefore we present this book to make the reader aware of one of the most important elements of the marine transportation.

Capt. Sherif Maher

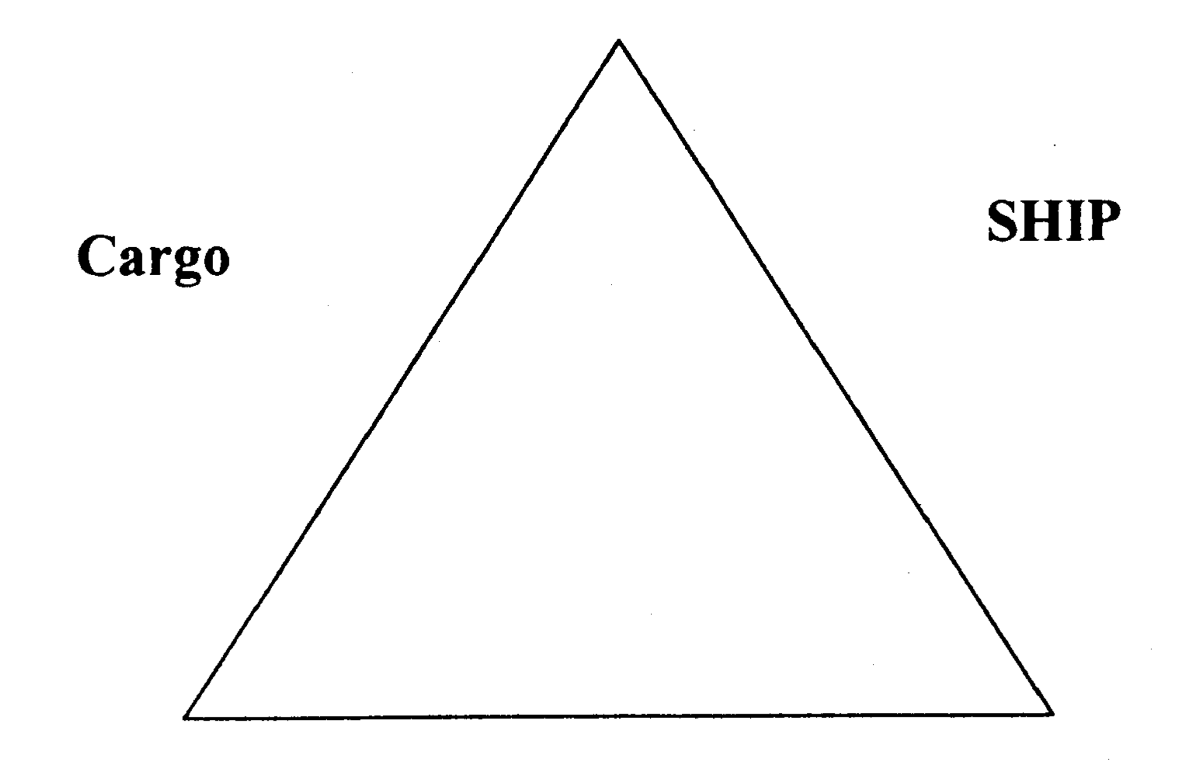
Alexandria 27/5/2002

Chapter ONE

General Cargo Transportation

General cargo transportation

Marine transportation is closely related to the international trade, because about 80% of the global trade is done through marine transportation. Thus, for the cargo transportation services to be integrated its elements must be complementing each other, what we call, cargo transportation system, which is assembled with all its components in the ship, the cargo, and the ports.



Design features
- Suitable for general worldwide trading.
- Full scantling type with tween-decks throughout.
- Side tanks P&S in way of Nos. 2 and 3 holds for good ballast draught and for increased stability when carrying containers.
- Twin hatches to Nos. 2, 3 and 4 holds.

Main dimensions

Length OA	153.00 metres
Length BP	[illegible]
Breadth Mld	27.[illegible]0 metres
Depth to upper dk.	13.10 metres
Depth to second dk.	9.30 metres

Deadweight and draught

Deadweight	22200 tonnes
at draught	9.64 metres

Speed, fuel consumption and range

Service speed at load draught (main engine developing 90% MCR)	16.4 knots
Fuel consumption (service)	37.8t/day
Range	17000nm

Classification
Lloyds +100 A1, LMC. Complies with IMO grain loading regulations A264(VIII) DOT Solas 1974.

Tonnage

Gross registered tonnage	15600 tons
Net tonnage	9900 tons

Cargo spaces

Cargo hold capacity	30600m³
Containers (4 high on deck)	1056 teu

Hatch covers
Upper deck: hydraulic folding type.
Hatch dimensions

No. 1	12.8m x 13.0m
No. 2 P&S	25.6m x 10.5m
No. 3 P&S	25.6m x 10.5m
No. 4 P&S	12.8m x 10.5m

Second deck: flush steel pontoon covers
Hatch dimensions

No. 1	12.8m x 12.74/7.74m
No. 2 P&S	25.6m x 10.24m
No. 3 P&S	25.6m x 10.24m
No. 4 P&S	12.8m x 10.24m

Cargo handling
Three electric cranes each 35 tonnes SWL

Tank capacities

Water ballast	4480m³
Fuel oil	2050m³
Diesel oil	350m³
Fresh water	210m³

Main machinery

Type	Sulzer 6RLB66

suitable for burning high viscosity fuel up to 3500 sec Redwood No 1 at 38°C.

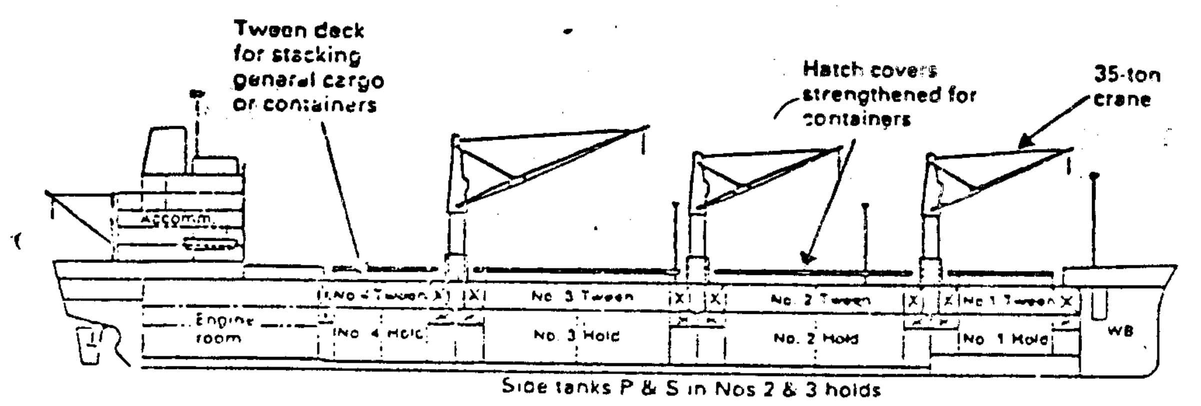
MCR	13050 bhp at 140 rpm

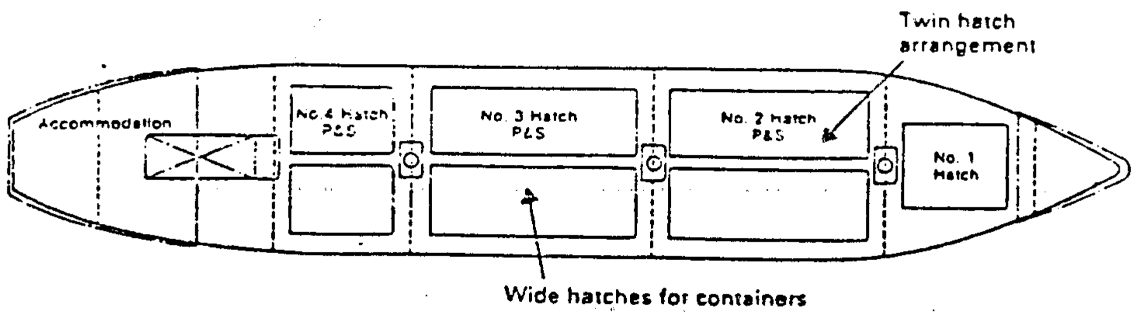
4-blade propeller.

Electrical system
Three 450 kW diesel alternators providing 440 V, 3-phase, 60 Hz.

Accommodation

Complement	34





Serial No. 2077 June 1982

Multipurpose cargo liner, 22,000 dwt
Source: British Shipbuilders



First: the ship:

We will start discussing the ship because it's the most crucial element in the cargo transportation via the seas and oceans, and that if we compare it to the quantity of the cargo transported by any other transportation mean. This quantity of cargo in one time is what we call (Economy Of Scale), and if we talk about ships in general there is two types.

Liners:A)

It's the ships that works according to a program with a schedule between a number of ports with a constant frequency and declared schedules, and we must note that this function doesn't rely on size or speed only, but also on the liner services, regardless its full or empty. The criteria in liner services is the regular service according to a determined schedule, and its very important to the ship owner to do what he can so that the ship reach its goal in the previously determined date, or else his

competency will be decreasing in the market, which he doesn't want to happen.

this ships according to liner system needs a big corporation on land, therefore the liner cargo transportation corporations must be big institutions .

Liner ships are designed for transporting general goods, this kind of ships works on previously determined maritime lines between ports, and this kind too is one of the most important and biggest ships in the world, and it provides a services network connects all the world, and the ships doesn't work on long range trips only across the seas and oceans but also on short range trips, the capacity is between 200 ton with two holds(for the short range trips) and 20000 ton consisting of six holds(for the long range trips) and it works in the Mediterranean sea and over the

oceans, the type which is functioning now is the containers which transport mainly general cargo.

Its speed is between 13 and 22 Knots, for the ships working in international trade over the Mediterranean sea and the oceans, and a large number of this container ships needs special ports (container terminals, which must be highly efficient and computerized.

One of the most famous container ships working on short range trips is roll on roll off ships, and it transport cars and people and vans.

Tramp vessels:B)

These ships are usually sailing all over the world searching for a cargo.

Thus, this kind of ships doesn't work according to a previously determined schedule, but it moves to the places where there is cargo to transport (bulk cargo), like coal, wood, grains, sugar, metals, etc.

It is also functioning with full capacity, and this kind of ships is known for its relatively small size, compared with the liner ships. This kind of ships needs complete knowledge about the bulk markets, and it is considered a non specialized type of ships with 2 to 6 holds with one opening big enough to accommodate for any kind of goods, and the ships is designed in the first place for bulk cargo.

The SD14 ship is a good model for the bulk cargo ships, its crew is about 30 persons and its speed 15 knots, and the cargo can be put into divided surfaces, and its full registered capacity is 9100 ton and the net registered capacity is 6100 ton and the plunger mean while it is loaded is 8.84 meter, the length of the ship is 140 meter and its width is 21 meter and there is living places behind, the ship is provided with five holds and there is tools for moving cargo from one hold to the other.

This type of ships is characterized with its multiuse, to transport cast goods that the ship deal in transporting, like grains, wood, metals, coal, etc.

Second: the port:

Its well known that the world is consisting of 71% water and most of the countries all over the world got access to seas or oceans, and that's what the cargo transportation via water is relying on, and the change of the service to, from door to door service.

To talk about this element no one can deny the importance of the main door to the imports and exports operations, which is the port.

Talking about ports is a long issue to go thorough we wont discuss in this book, but we would rather talk about the importance of developing ports to go along with the continuous development in ship industry, so that no accumulation for ships may happen and according to that the marine transportation and

the regular lines may lose its role in transporting cargo in its declared schedules and its regular services.,

Therefore the personnel in the ports must take care of this developments and work on entering it in the private ports, so that any ship can enter the port whatever its size or the type of its plunger is, and to do its job as good as possible safely and peacefully, and in the previously determined date, and until it reaches international waters once again.

And that's what was noticed in the containers and the building of special stations for the containers in the ports (container terminals) to go with the development in marine transportation in general and regular lines in particular.

Third: cargo

We can say that the demand on transportation in general is a derived demand from cargo, therefore we can say that there is a positive relation between marine transportation and global trade. As the movement of global trade flourish the movement of the marine transportation flourish too, and that's because 80% of the global trade is done through seas and oceans as we discussed previously.

That's what the statistical reports proved in the united nations convention for trade and development (Unctad) which works on solving the problems of marine transportation services all over the world.

This statistics are made for the period 1980 to 1995 as we notice the development of global trade via marine transportation from

1970 to 1995, with a non constant level all over this years, increasing or decreasing from year to year.

from the year 1970 to 1975 there was decrease in the percentage of the global trade level from 13 to 4, and the reason for that is the October war in 1973, during this period which effected on Suez canal which is considered the first trade way all over the world.

And during the years 1986 to 1987 there were economical crisis in different spots all over the world that resulted in decreasing the level from 2.3 to 1.3 and that too affected the marine transportation directly.

Development of International Seaborne Trade

1970, 1975, 1980 and 1985- 1995

(Estimates of loaded Goods)

Year	Tanker cargo		Dry cargo				Total (all goods)	
			Total		of which: main bulk commodities b/			
	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change
1970	1 440	13.1	1 165	13.0	448	16.0	2 605	13.0
1975	1 644	-10.0	1 428	-3.0	635	-5.0	3 072	-4.0
1980	1 871	-6.6	1 833	3.3	796	4.5	3 704	-2.0
1985	1 459	-2.6	1 923	0.6	857	2.9	3 382	-0.8
1986	1 514	3.8	1 945	1.1	834	-2.7	3 459	2.3
1987	1 506	-0.5	1 999	2.8	875	4.9	3 505	1.3
1988	1 587	5.4	2 105	5.3	940	7.4	3 692	5.3
1989	1 692	6.6	2 199	4.5	965	2.7	3 891	5.4
1990	1 755	3.7	2 253	2.5	968	0.3	4 008	3.0
1991	1 790	2.0	2 330	3.4	1 005	3.8	4 120	2.8
1992	1 860	3.9	2 360	1.3	990	-1.5	4 220	2.4
1993	1 945	4.6	2 385	1.1	993	0.3	4 330	2.6
1994	2 007	3.2	2 478	3.9	1 028	3.5	4 485	3.6
1995 c/	2 050	2.1	2 601	5.0	1 082	5.3	4 651	3.7

Source: the United Nations publications

In the period 1990 to 1991 there were decrease from 3 to 2.8 due to the second gulf war in this period

From the indications of this numbers is that we are living in a single world, and there is no industry or service that doesn't become affected with others, as we find this events happening in different spots all over the world affects the statue of global trade level.

The marine transportation services, either it is crisis or wars or in case of flourishing between 1993 and 1995 (the last year in this statistical report) we notice the flourishing in the marine transportation services across the seas from 2.8 to 3.7, and it is in constant increase until this day, and that for several reasons:

The political and economical stability this days*

The appearance of economic blocks*

The GATT convention*

The constant increase in the world population*

The trend toward specialization and globalization.*

And many other reasons for this increase in the level of global trade level

The talking about the flourishing trade levels and the global trade increasing, as the Unctad organization predicted this flourishing in trading certain types of cargo, from 1996 to 2005. They predicted that oil and the dry bulk cargo will be dominant, also the general cargo and the containerized cargo, it was found that the movement of trade for this kind of cargo is increasing constantly but with different levels. As we find the volume of trading oil increasing with bigger quantity that any other type of cargo and that is due to some reasons we mention here:

- It's a cheap resource in the coming period as there is other types of energy resource found each day.
- The industries and technological development is still relying on oil for providing the necessary energy.
- The ships that work on this kind of trade are using oil as its energy source and that increase the global demand on oil and its derivatives.

Concerning the dry bulk cargo there is increase in the level of trade as we said before about the general trend of increasing

Concerning general cargo and containerized cargo there is a process of using containerized cargo instead of the general cargo, we see that in the increase of volume of general cargo with levels less than the increase of the containerized cargo transportation level. As the general trend this days is toward containerizing.

If we decided to talk about the other side of the marine transportation system which is the global transportation marine systems.

The organization found that there is a rise in the capacity of the ships (Dwt) generally because of the continuous increase in the global trade movement. However, we will talk about this statistical report, while talking about two main kinds of cargo, which are the general cargo, and the containers. We may notice what was previously predicted by the statistical report, that there is decrease in the range of private weights in the general cargo ships from 115 thousand Dwt to 824, until it reached104 thousand Dwt to 129, in the weights of container ships. And this is the process of substitution with which the life cycle of the

general cargo ships got contained in a narrow range, while the containers is flourishing and developing each day.

However, when we look at the African continent we will find something that wont satisfy us altogether, as until now its still depending on the general cargo ships, also with week levels, and concerning the containers its almost absent in the continent and that's due to the very high costs that the ships needs to develop. However, we can find that the distribution of capacities all over the world from 1980 to 1995 is increasing from 3.5 to 15.1 and that's due to the growing importance this kind of ships. The next table is talking about the trade ships registered all over the world in the countries which this ships is available in. to move along the progress in the growing global trade levels.

If we thoroughly consider the global trade level we will find it varying from developed countries to developing countries.

We will find in developed countries, which is famous for manufacturing ships, we will find the number of registered ships in it decreased from 9.7% to 8% from the year 1980 to the year 1995. Compared to the developing countries that opens its gates to the ships we will find increased level of registered ships from 7.02% to 18.8% and this huge percent of increase is due to the process of registering western ships that escape from the organizing roles and tax laws in its countries, to register at the developing countries and as a natural result we find this ratio change from 7.02% to 18.8% which is untrue change as it is not in the number of national ships for this countries but for western ships registered and then joined the national ships in this developing countries. And that's what the statistical report

Merchant Fleets Of The World And Those Registered In Sub-Saharan African Countries

Selected Years, 1980-1995

(in thousand dwt)

	Year	Total	Tanker	Dry bulker	General cargo	Container	Others
World total	1980	682 768	339 324	185 652	115 824	11 243	30 725
	1985	664 800	261 439	232 107	105 846	19 939	45 469
	1990	658 377	245 936	234 659	102 676	25 955	49 151
	1994	719 805	270 996	250 293	103 717	39 005	55 794
	1995	734 917	267 650	261 628	104 129	43 849	57 661
Sub-Saharan Africa – total	1980	1 985	459	-	1 416	-	110
	1985	1 647	448	-	1 032	-	167
	1990	1 554	453	-	819	-	282
	1994	1 353	502	19	592	-	240
	1995	1 373	526	39	570	-	238
West Africa	1980	1 309	277	-	966	-	66
	1985	1 106	298	-	691	-	117
	1990	1 102	439	-	451	-	212
	1994	940	479	-	293	-	168
	1995	931	501	-	268	-	16
Central Africa	1980	362	141	-	191	-	30
	1985	269	141	-	110	-	18
	1990	155	-	-	121	-	34
	1994	104	-	19	50	-	35
	1995	115	1	38	41	-	35
Southern Africa	1980	133	15	-	111	-	7
	1985	164	4	-	140	-	20
	1990	151	4	-	127	-	20
	1994	142	3	-	118	-	21
	1995	143	3	-	116	-	24
East Africa	1980	181	26	-	148	-	7
	1985	108	5	-	91	-	12
	1990	146	10	-	120	-	16
	1994	167	20	-	131	-	16
	1995	184	22	-	145	-	17

جدول رقم (٢)

Source: UNCTAD, Review of Maritime Transport, various issues.
Note: Tonnages registered in the Liberia and South Africa are not included.

proved in the columns 2 and 3. as we can see the true increase for the capacity distribution all over the world in it.

From this statistical report we can reach an important fact, which is the inter reliance between the global trade movement and the marine transportation services, that's because 80% of the global trade movement is done across the seas, and that's what was noticed in the numbers and statistics.

There is unstable level of global trade movement that is transported via the seas and oceans, which effects directly the marine transportation services with all its aspects.

Distribution Of World Tonnage (GRT and DWT)

By Groups Of Countries Of Regi: ation

1980, 1994 And 1995 A/

(End-year figures)

Flags of registration by groups of countries	Tonnage and percentage shares b/						Increase in tonnage (millions of dwt) d/	
	In grt (millions)			In dwt (millions)				
	1980 c/	1994	1995	1980 c/	1994	1995	1980-1995	1994-1995
1. World total	414.5	476.2	491.4	682.8	719.8	734.9	3.5	15.1
	100.0	100.0	100.0	100.0	100.0	100.0		
2. Developed market-	214.3	144.5	141.5	350.1	211.9	203.9	-9.7	-8.0
economy countries	51.7	30.3	28.8	51.3	29.4	27.8		
3. Major open-	114.2	189.0	203.5	212.6	302.5	321.3	7.2	18.8
registry countries	27.6	39.7	41.4	31.1	42.0	43.7		
Total 2 and 3	328.5	333.5	345.0	562.7	514.4	525.2	-2.5	10.8
	79.3	70.0	70.2	82.4	71.5	71.5		
4. Countries of Central and Eastern	32.0	32.3	29.2	37.8	36.8	33.0	-0.3	-3.8
Europe (including the former USSR)	7.7	6.8	5.9	5.5	5.1	4.5		
5. Socialist countries	7.3	17.3	18.4	10.9	25.6	27.0	1.1	1.4
Of Asia	1.8	3.6	3.7	1.6	3.6	3.7		
6. Developing	44.7	86.7	90.5	68.4	133.4	137.4	4.6	4.1
Countries	10.8	18.2	18.4	10.0	18.5	18.7		
of which in:								
Africa	4.9	5.0	5.1	7.2	6.6	6.6	-0.0	0.0
America	14.5	19.2	20.2	21.8	28.8	29.8	0.5	1.0
Asia	25.0	62.0	64.7	39.1	97.5	100.5	4.1	3.0
Europe	0	0.3	0.3	0.2	0.3	0.4	0.0	0.1
Oceania	0.1	0.2	0.2	0.1	02	0.2	0.0	0.0
7. Other, unallocated	2.0	6.4	8.4	3.0	9.6	12.2	0.6	2.6
	0.5	1.3	1.7	0.4	1.3	1.7		

جدول رقم (٣)

Source: Lloyd's Maritime Information Service Ltd. (London).

a/ Excluding the United States Reserve Fleet and the United States and Canadian Great Lakes fleets, which in 199 amounted respectively to 3.0, 1.0 and 1.4 million grt (3.8, 1.9 and 2.0 million dwt).

b/ percentage shares are shown in italics.

c/ Mid-year figure.

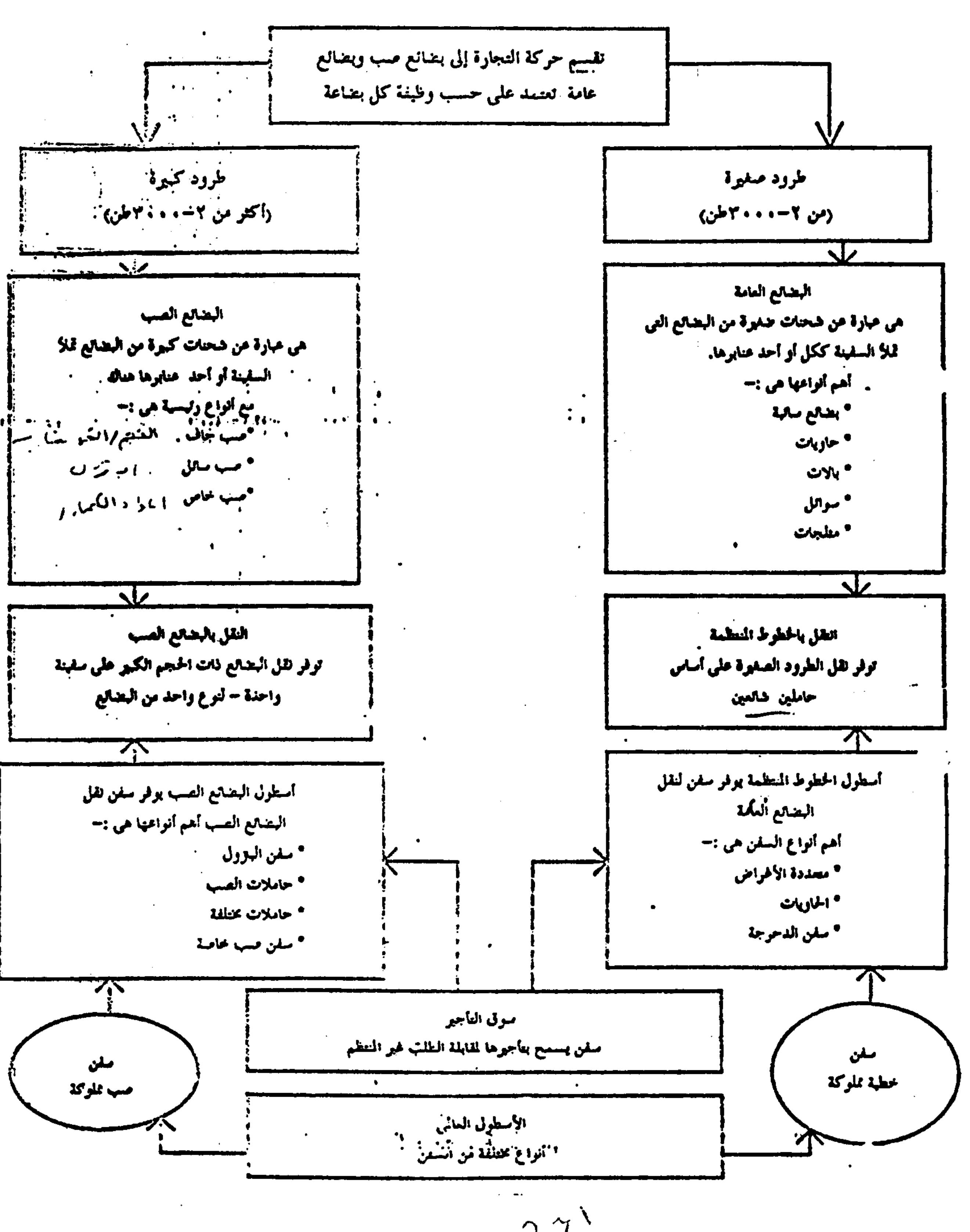
d/ Average.

Comparison between linear and tramps services

liners	Tramps
1- -navigation is constant	1- -navigation is according to the present cargo
2- -the linearity is functioning with two generators.	2- -the tramps are functioning with nodes
3- -the cargo is expensive	3- -the cargo is bulk in general
4- -united shape	4- -special contract (charter party)
5- -the freight ratios is stable and high (liner conferences)	5- -the freight is determined according to supply and demand
6- -the navigation and ports frequency is stable	6- the ratios and ores are determined according to special requests
7- -the ships is designed according to the cargo	7- -services all over the world, ships with medium

	sizes still simple in its design and with less cost in building
8—Big organization on the shore	8- -medium organization and the cargo is the responsibility of the contractors
9- -usually the passengers are transported	9- -there is no passengers aboard the ship

التجارة الدولية وحركة البضائع

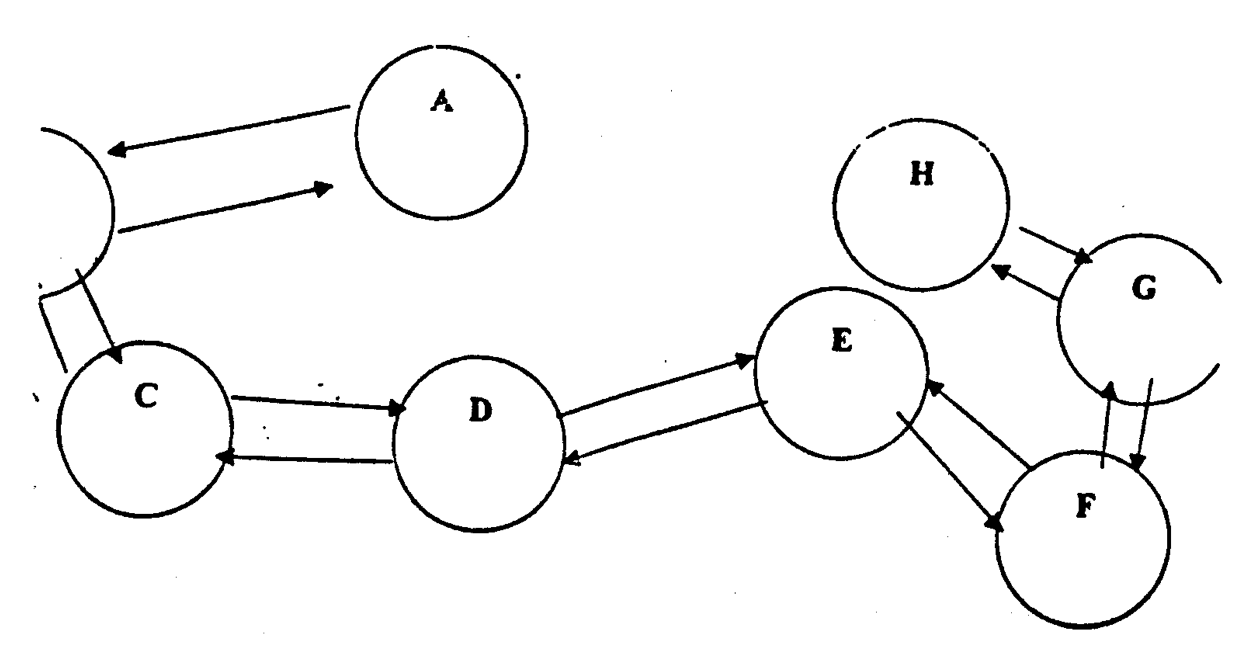


Liner services

The liner services is defined as the transporting of cargo across the sea and aboard the containers or general traditional modified ships, as the transporter or the operator operates this ships on regular basis, with previously declared dates between a number of selected ports with declared freights and tariffs. The declared dates means that the ships will navigate through the port, either it has taken cargo from this port or not.

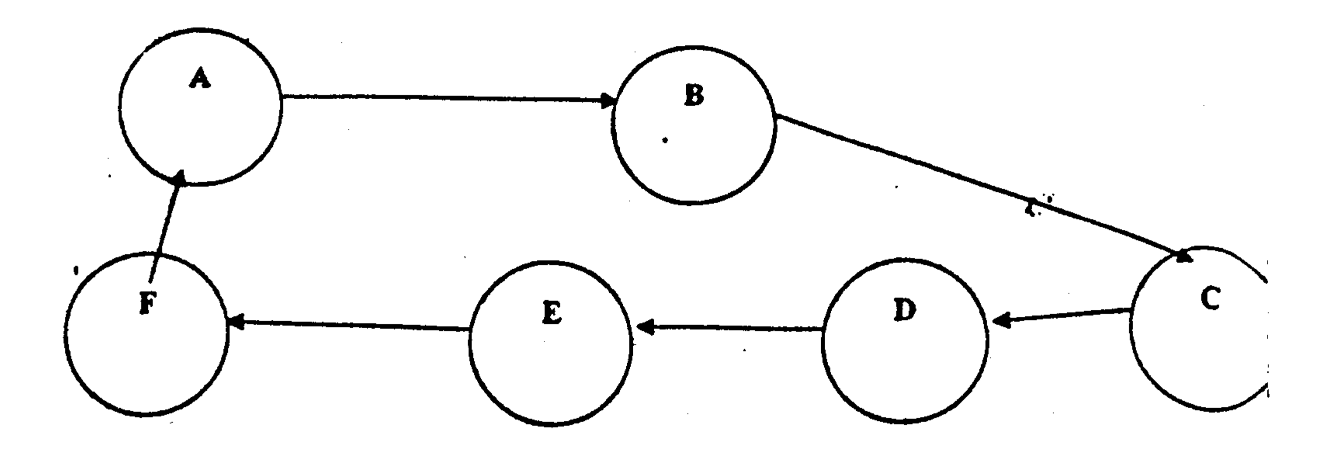
The liner services can be traditional, as the ship works between two ports or more in the end of each trade region or ship services. Simply, the transportation of cargo from a port to another.

This service is called end to end liner services, this service may need the operational line to find a way to retrieve the empty containers to the original port. That is considered non efficiency in the field of regular lines because it is considered non stability between the lines of near east so that may be there is cargo more than that on the western side as the figure below shows.

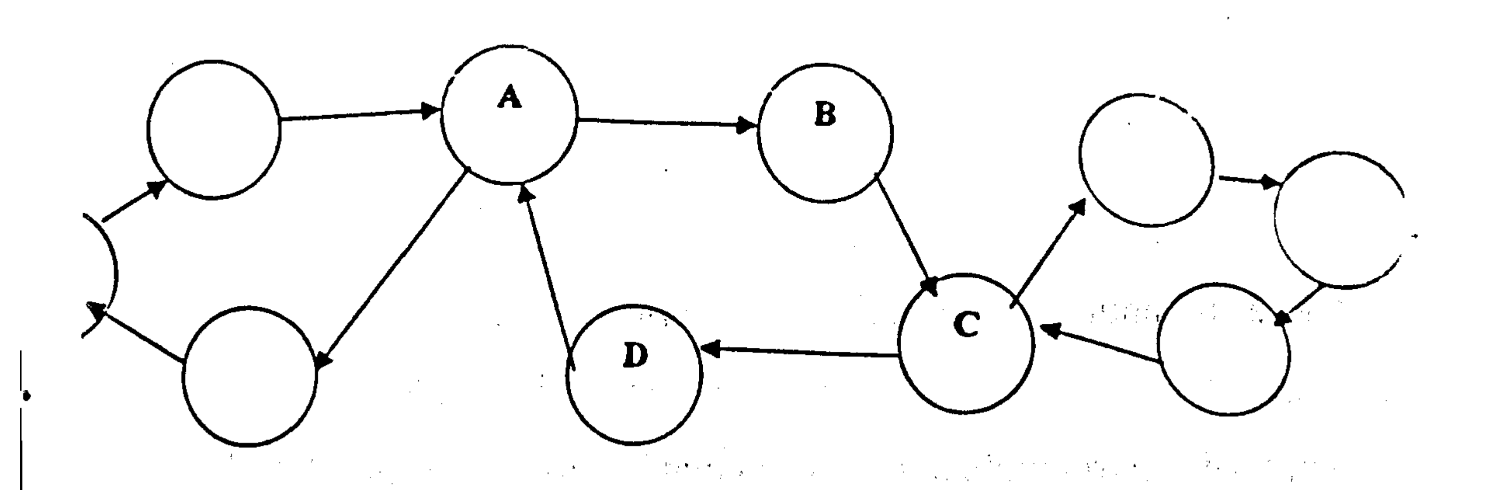


There is another kind of liner services called round the world liner services, in it there is a number of liner routes that may show in one integrated service, this type is called milk run.

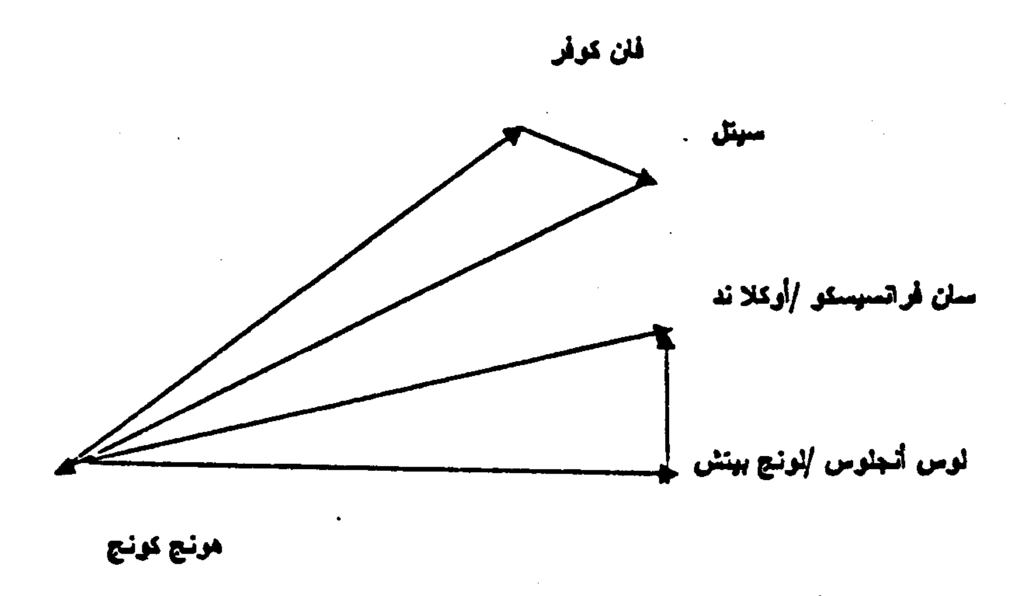
That uses the idea of a milk seller importing milk regularly in a constant area with a circular shape from start to end as the figure shows.



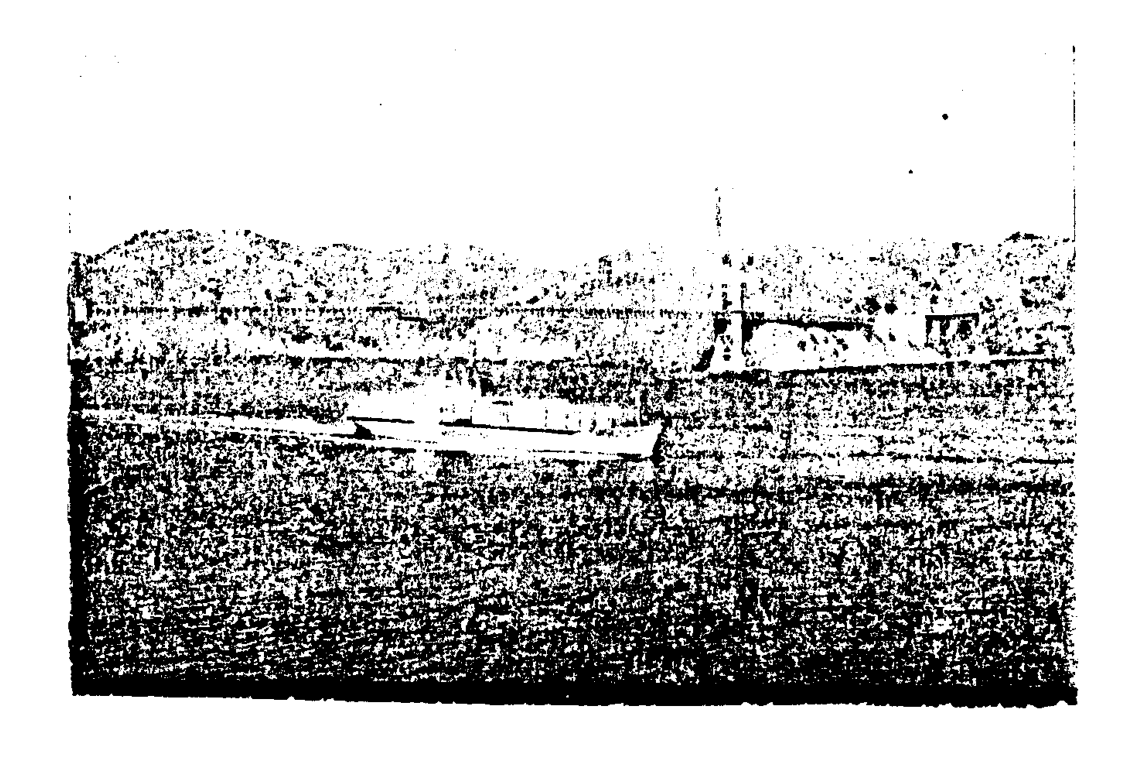
There is also another type of liner services called network liner services, as the liner ships working in the high seas work in the traditional way from start to end or around the world as a part from the network. This type can be used as a derived service and that is shown in the preceding shape.

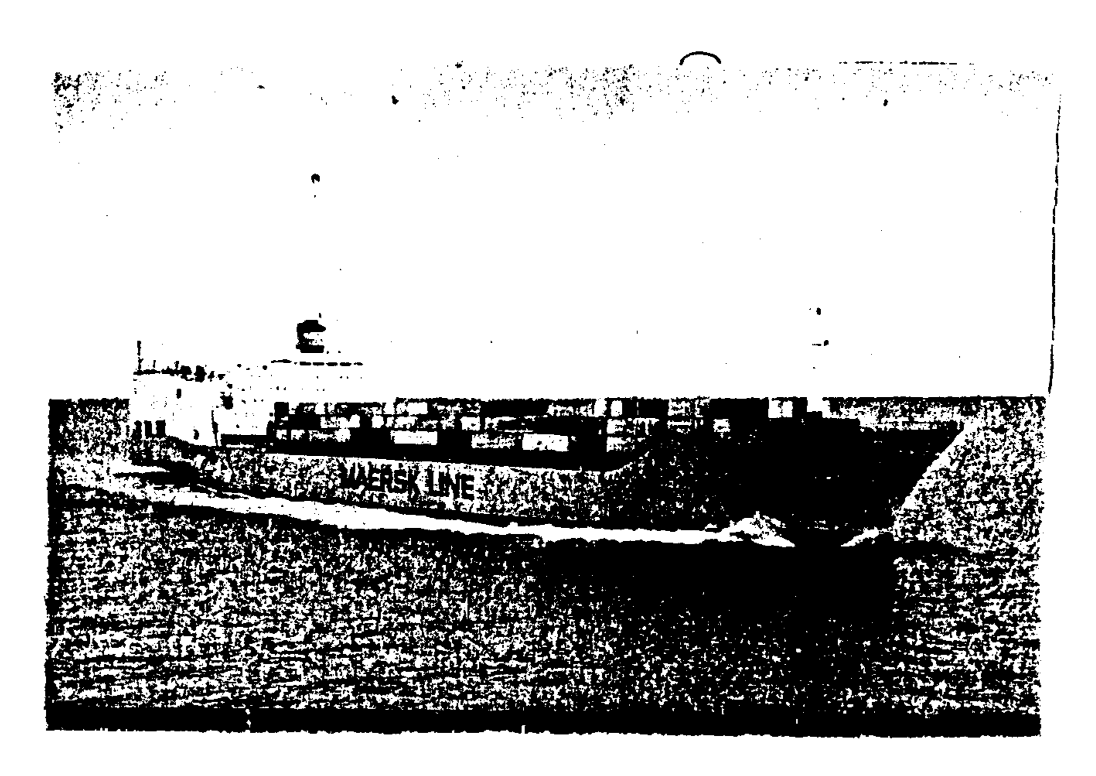


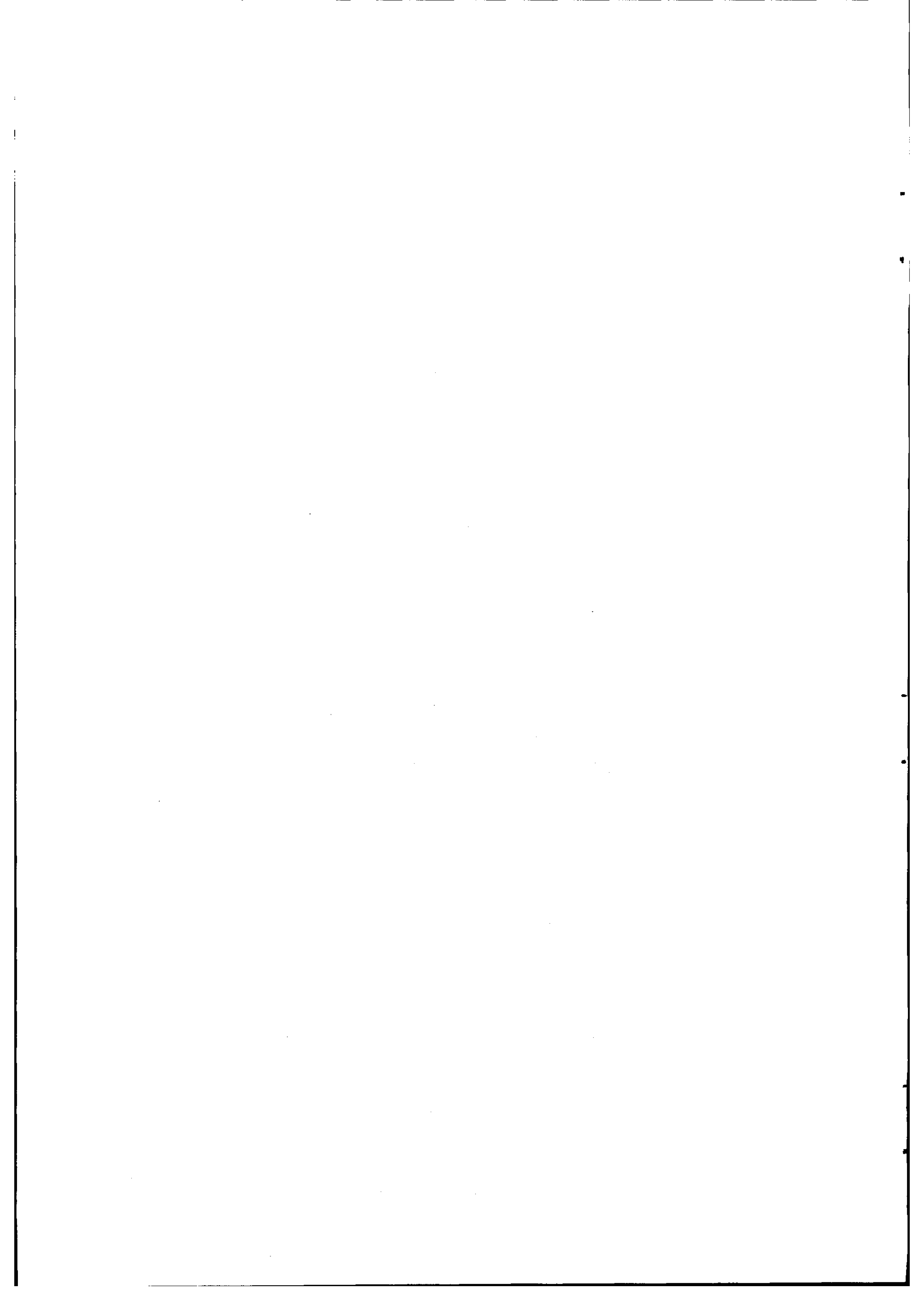
There is also the loop liner services that is shown in the previous example, as the ship navigate around Hong Kong to Seattle and van cover then return to Hong Kong or from Hong Kong to Long Beach in Los Angeles and Oakland in San Francisco then again to Hong Kong as shown in the following figure.



There is another type of liner services whish is pendulum services that was used for the first time in Netherlands in 1990 as a kind of restrucuralizing and regulating its services. All the services of newland is always a kind of a network and pendulum services is a part of this network..

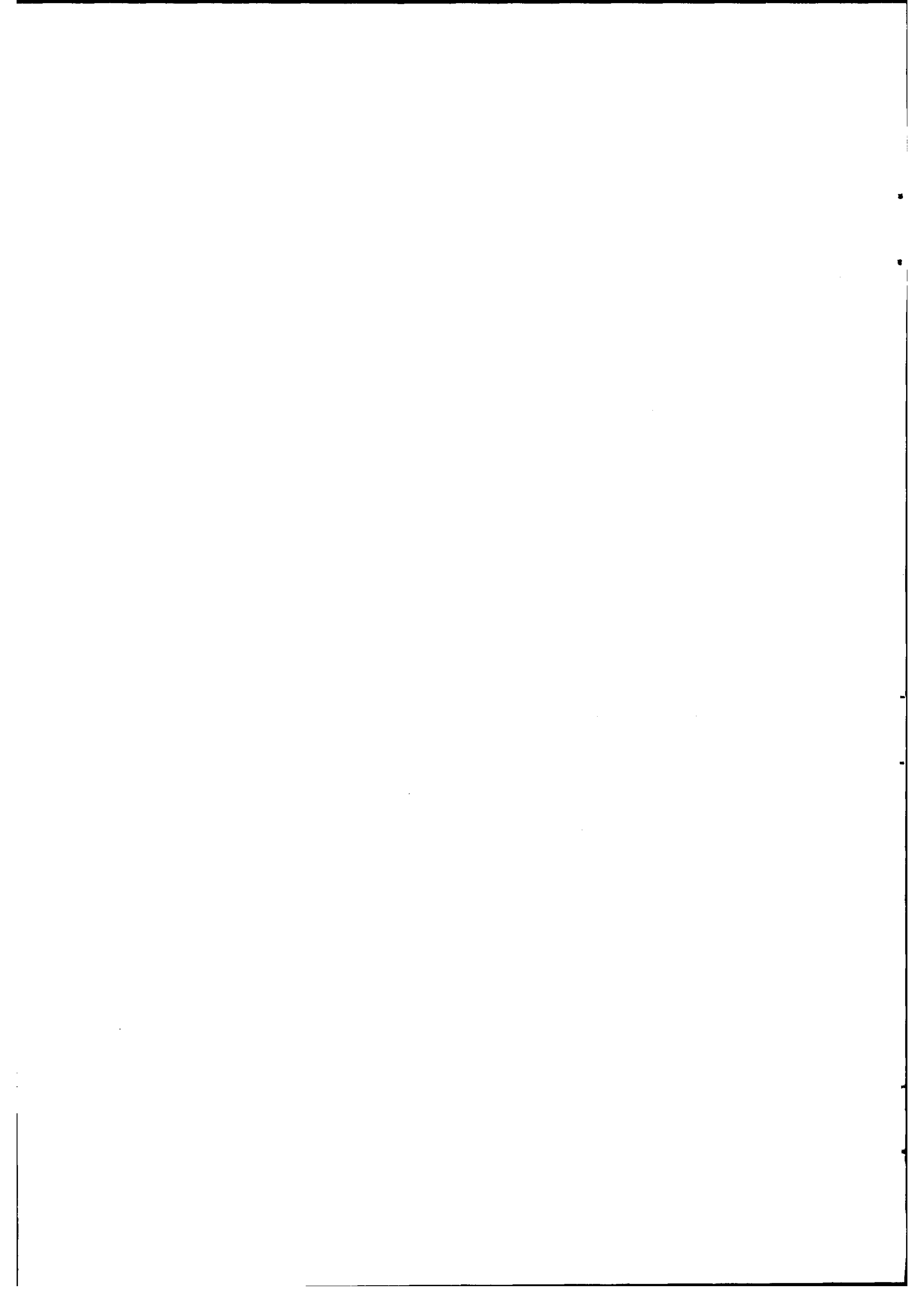



MAERSK LINE



Chapter TWO

Maritime Conferences



Maritime Conferences

The maritime conference is considered an organization according to it a number of the ships owners present their services in a certain trade line they conventionally agreed on the union between the members.

Their main policy is to put a united tariff for the prices of the cargo (freight). The members got their whole freedom in competing in efficiency and the quality of services presented, and from this introduction we can define the maritime conference as :

(An organization or a union that includes a number of ship owners (maritime corporations) that got united freight rates to eliminate competition among them and to compete the outsiders. They are working in the same trading line between a number of determined ports.)

The history of maritime conferences:

The conferences first appeared as a result for the sharp competence between the steam ships and the older ships (sailing ships) in relation to freights, and that was in the end of the 19th century when the capacity of cargo transportation increased greatly between India and London.

The first maritime conference was shaped in 1875 and was known as Calcutta conference and that conference was held to decrease this competence and to regulate the movement of trade.

The reasons and the real conditions for holding the Calcutta conference in 1875:

After the opining of Suez cannel the steam ships was important and got more expertise than the sailing ships, consequently the owners of the sailing ships tried to attract shippers to their ships by decreasing the freight of their own ships. As a result the owners of the steam ships held Calcutta conference in 1875 to put standards to the freights with stable criteria for transporting cargo aboard their ships.

As a reaction to the conference the shippers moved their dealing from the steam ships to the sailing ones, which resulted intern in the appearance of what called: Loyalty contract (loyalty agreement). As this contract made the shippers obliged to transport their cargo in the conference ships as they sign this contract.

But the shippers didn't agree to that contract because there is nothing to make them do it. That was until 1877 as the conference had put the deferred rebate system, as they returned a part of the value of the freights paid by the shippers after a certain previously determined period of their loyalty to the conference. The return is done usually 1/10 of the paid freight during a period of six months.

For example, The shipper loaded 6000 ton with the cost of 6000$, in the end of six months from the date of loading he returns 6000 X 1/10 = 600 $ and that with the continuity of transporting his cargo on the ships of the maritime conference.

That continued until the end of 1885 as there appeared what is called penalty of non loyalty and that in case of the shipper load his cargo on steam ships he got no right in deffered rebate during this period and the preceeding one . Also The shipper don't share in the transportation of their cargo during the period of six months.

Thus there started the appearance of maritime conferences all over the world and its purpose was:

1. Finding adequate service, to fulfill the actual demands for the market on a certain sailing line.
2. Cease the competition between the members of the conference as much as it protect those members from external competition.
3. Putting a standard tariff agreed on by the members of the conference.
4. Organizing schedules for stable sailing and in the main time determining the ports that they will enter.

5. dividing and organizing the work between the members of the conference in the field of introducing common services and the carrier in this case is called common carrier.

Therefore the maritime conferences practice a kind of monopoly and control for the regular lines up to 1982 as there were three reasons behind the reduction of the role of maritime conferences, which are:

1. The appearance of the containers with a more diffused form. As the concept of regular line vanished and the pivot port appeared, where a big container ship empty its load there and then start the operation of distribution to the feeder ports by using smaller ships.

2. the appearance of the liner code of conduct (40-40-20)formula. In the third world countries as this law is working in favor of these countries. It allows them to operate 40% of their work and didn't allow for the maritime conference countries more than 20% only. Thus, we can say that this law killed the monopoly of the maritime conferences.

3. The appearance of consortia and alliances between the maritime lines as a kind of partnership .As this kind of

coalitions appeared due to the costs of marine transportation's industry increased, also the investments reached its highest levels. We can find that the cost of building ships from the second generation may reach 50 million dollar, while now in the ninth generation we can evaluate the rise in this costs and the ability of the lines corporations to bear it, therefore this corporations started this partnership.

The regulations of the maritime conference:

The administration of the maritime conference puts a set of roles that all members must follow strictly and any member that don't follow this roles is subjected to a penalty by the secrtarite of the conference, and we can mention this roles in the following points:

- The member can not determine the freight for cargo transportation in a way other than the way determined by the conference so that no differences may rise between the shippers.
- No member can pay a commission for the shippers as a kind of getting more customers.

- no member can bear any costs, specially those of the cargo dealing in the port or reserving it free of charge.
- No member can give any merits to any of the shippers.
- No member can write record any data in the cargo papers that don't go along with the standards.

In the United States of America we find the situation a bit different, as the agreement on the monopoly and the loyalty system and freights didn't occur.

And that's due to the presence of Anti trust law which obligate all the workers in any industry to stop doing any actions that may lead to monopoly.

But the agreement on the work of the conference was done under the panel of what was called at that time: federal maritime board, which regulates the freights to the navigation lines. Thus, the state must agree on this freight. Also the absence of a penalty for disloyalty، and any member has the right to enter the conference without a minimum of ship capacity or a minimum number of ships. And that is considered an open conference.

Today there are all over the world about 360 maritime conference. This conferences has a registry fees and secretary, which got a vital role in declaring the new roles and in the main time get penalties on the owners whom are not obliged with the freight roles that were declared in the conference.

A model for a maritime conference:

1. The range of the convention, i.e.: the ports that the conference will cover.
2. The kind of membership in the conference (complete- regular- affiliated) , determining the rights and assignments on each kind of membership. The criteria for each kind of membership. The name of the membership. The sum of money given from the member for warrantee.
3. The regulating roles for joining the conference or moving out of it or penalty or expelling.
4. The regulating roles for the meeting and the way of voting in it on the discussed decisions.

5. Determining the secretary of the conference and its site and the number of employees working on it and their assignments.

6. The obligations of the members toward the prices of the freights and providing services for the conference.

7. Standards for supervising the members and providing a way for investigation the breaking of the roles.

8. Determining the committees of the conference.

9. Arbitration and finding means to resolve disputes that may rise between the members.

10. Joining any other conventions.

Types of maritime conferences:

1. closed conferences:

A: it's the conferences that use a process called rationalization which involves the distribution of the member ships according to the volume of trade, and it is only about the limited number of the ships owners whom have a high standard of economic efficiency.

Some of conferences use the pooling agreement system, as they distribute the volume of the cargo transported over the line (cargo pooling) according to the economic strength of the owner and the number of his ships. Also it could use (revenue pooling), where the members distribute the total revenue after subtracting the cost of each ship owner, and that too is according to his own economic value and the number of ships he got.

B: the closed maritime conferences that don't use rationalization.

The distribution of cargo or revenue pooling doesn't occur in this kind of conferences and it allows any number of ship owner to enter the conference as long as its maintaining the demanded economic level

2- open conferences system:

Where the load of the member ships is not determined, and any member can join the maritime conference without looking at his economic strength or economic level. And its applied only in the united states, where no member is allowed to join the conference

without determining a minimum value of loads or number of ships.

Another natural function of the maritime conferences is that it got to review the freights from time to time and that usually happen for the sake of development, and to meet the changes it could happen in the route. It happens usually in the meetings that concerns the conference, either regular or in case of emergency.

Example, the added price that results from the changes in oil prices (bunker surcharge). It is called Bunker Adjusting factor . Or the added freight for changing the prices of the used currency. And it is called currency surcharge (Currency Adjusting factor) . Now this addition to the net price of the freights is called adjusting factor

The advantages and disadvantages of the maritime conferences this days:

First: the advantages:

1- it still gets the attention of the stable ship owners, the owners of small ships and weak investments.

2- it is still preserving a high performance in services in relation to the shippers. And because this competence is only in the field of services it ceased being competence on the freights, as each of them wants to present the best service.

3- these conferences were well known for the monopoly it has on the market, but that became a history, now this conferences interests only the shippers and their demands.

4- it will remain providing a high standard service and will remain receipting those who use the sea.

5- they present unified prices for the frights without distinguishing between the shippers or their economic strength or the volume of their loads. as each shipper for a special kind of cargo is guaranteed that his competitor in the same kind of cargo wont have merits over him because of his economic strength that may surpass him.

6- the stability of the prices of the freights for an interval of time that makes the shippers able to do studies about their trade.

7- the stability of prices will guarantee the shippers to work on importing contracts or exporting contracts without fear of the changes in the prices of freights.

8- the presentation of a regular sailing service provides confidence for the shippers in the level of the demanded service and its similarity to the unified standards that they contracted according to it.

9- the maritime conference uses standardized ships that is consistent with the nature of the trade on this line, for the preparation of the ship, to its speed, and what is consistent with the needs of the shippers.

10- the competence is between the members of the conference in the form of the introduced high quality services only, and that makes the level of services better for the shippers.

Second: the disadvantages:

1- the economic pressures that results from the economic gaps that effected the industry of the marine transportation for all the countries form the year 1973, that obliged the carriers to bear the operation of their ships or to sell their companies, which reduce the existing of conferences.

2- the rise in the costs of ship's construction and operating it specially the containers that helped in forming the consortia of ship owners, in what is called maritime partnership instead of conference system.

3- reducing the number of ports that the ships entered, this reduced the volume of the ships, and a new concept arises , which called Pivot Port. Where only one big cellular ship can enter such port . And from it can distribute the containers belongs to the ports around (feeder ports) by small ships called feeder services.

4- the high payment scales and the high value currency created a case of non stability in the movement or trade, as the ships got its revenue from one leg of the trip, not the tour as a whole.

5- the presence of the multimodal transportation resulted in decreasing the volume of using the regular lines, as the

transportation of cargo became done, more than just a one transportation mean, and its not necessary to use the maritime transportation between ports. As the integration of transportation mean this days became a from door to door system that is adopted by the multimodal transport companies.

6- the shippers see that the ship owners are putting high prices for their frights because of the monopoly that resulted from the conference.

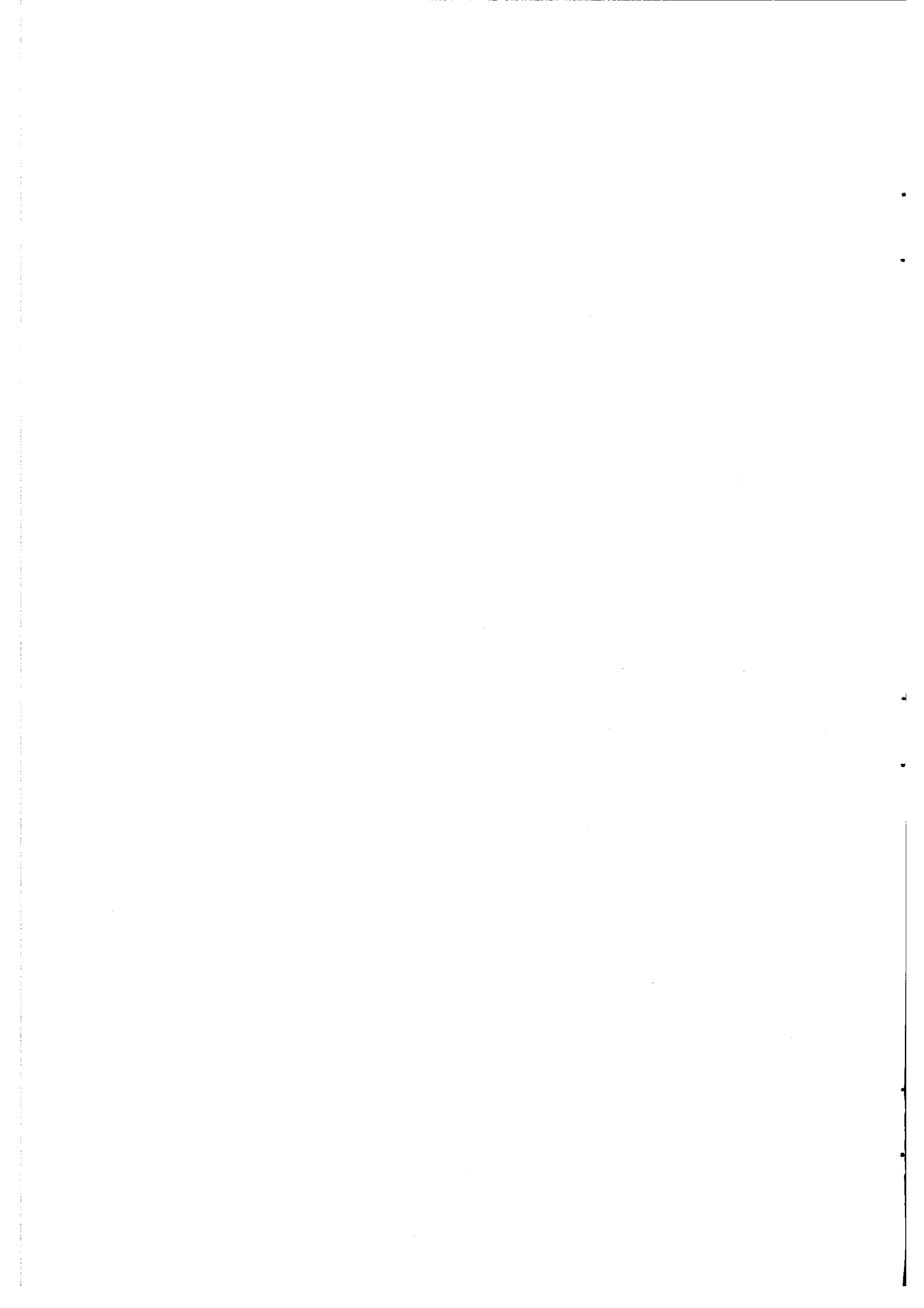
7- the shippers see that the regulation of priorities effects their freedom in trying the means of transportation.

8- the shippers see that the closed maritime conferences make it difficult on the ships of the developing countries to join the conference, because there is not enough equality in the distribution of the ships between them and the developed countries.

9- mostly, the corporations related to the developing countries is weak inside the conference even if they had the opportunity of joining the conference.

Chapter THREE

Liner scheduling



Liner scheduling

1- Sailing Schedules :

The liner ships is depending usually on regular schedules that is concerned with the process of sailing, because we, as we mentioned before, have defined this liners as the ships working according to a previously determined schedule and that's what we will try to show in this particular point. How the schedule of sailing works precisely so that it can be applied scientifically or in reality. Usually the people who design these schedules are a committee, where they should be highly efficient in planning and managing.

The factors that may affect the formation of the sailing schedules:

1- the number of ships working on the trade line.

2- the presence of enough crews and alternative ones for working on this ships.

3- the volume, kind and characteristics of the trade on this sailing line (traffic characteristics).

4- the instability of trade, rising and decreasing, as this effects the demand on the ships.

5- the schedule of other transportation means that is complementary to the maritime transportation in the different ports likes railways or other ships.

6- the conditions of the weather all over the year and the tide in the ports and how that affects the entrance and departure of the ships.

7- the time interval of the sailing between ports and the distance between them and the speed of each ship.

8- the presence of some canals in the course of the line that may affect the preparation of the schedule.

9- the timing of entrance and departure to and from the port.

10- the time needed for the operations of loading and discharging and the procedures of entrance and departure.

11- the ability of the ship to work all year round and that with the exception of the times of entering the dry port for maintenance work that may take some time.

12- the expectation of some basic problems likes strikes...etc, in ports or in the countries where these port located.

13- the competent regulation with other foreign ships that may enter temporarily on the sailing line.

14- the economic operation for each ship to reduce the costs of the trip.

15- the special regulations for emergency situations as ports procedures.

16- the intervening in the fuel supply in the principal sailing schedules.

Some important points in planning sailing schedules:

Trying to avoid the faults and the problems in the previous schedule.Providing ways to make the schedule better for the service and the costs in the same time.

Facing the present schedule or competing with any foreign ship.

The new schedule must contain the demand of the shippers and the movement of trade with the presence of a degree of elasticity to face the surplus or reduction in the demand.

Making the ships work according to the typical way from the speed and economics of operations. Meaning that if the ship reached the port at dawn can it enter directly, so that it can start

working in the early hours or calm from its speed so that it reach in the morning.

There is another important role:

The schedules of navigation should be working in accordance with the ships so that it can make for the product, in the bad weather and that in case of being sure that it is impossible to maintain the maximum speed of the ship. That happens by selecting a speed less than the ordinary speed. An example for that is the containers that is considered from the high speed ships, its speed may reach 20, 22 knots and as far as 24 knots. But at this high speed its dangerous to keep on in the bad weather, therefore the ships usually reduce its speed to 18 knots until the danger is over, then return to its initial speed, or even more than the initial speed, so that it can make in time, the time determined in the schedule.

The most important elements of the plan of the schedule:

The main role is:

1- each element of the elements of operating the ship must be of a positive effect on the income expected from the ship.

2- the speed must provide a rapid cycling rate.

3- reducing the consumption of the fuel to reduce the costs.

4- the quantity of the fuel must accommodate for loading the maximum amount of cargo on the ship.

5- the dates of entering and leaving the ports must be consistent with the dates in other ports.

6- the entering and leaving must be in proper times to reduce the costs of the additional fees of the crew, and guides, etc.

7- determining the main port or the main ports by the experts in each trip.

8- determining the secondary port from the aspect of the dealed in cargo.

9- planning the schedules needs cooperation between the different sectors of the motivation and operation inside the regular lines of the company.

Collecting data to put the schedule from the old manifest and the new one considered an important source for information . Also forming a data base for ports which can be mentioned in the following:

1- the geographic nature of the port and how much it is affected by the tide.

2- the nature of the working in the port and the formal times of working and the times of additional wages and formal vacations.

3- the number of caterpillars and the essential tools for dealing processes.

4- the productivity of each kind of the cargo.

5- the times of entering and leaving the port.

6- if it is possible to get fuel supply during the cargo dealing processes, that's because the presence of a good port means the presence of a good rate of cycling for the ship (high turn round time), and that means for the shipping lines:

A: a larger number of trips each year and for each ship.

B: larger amount of revenue, as the shipowner gets revenue while the ship is sailing.

And we can notice that this need for forming a final shape for the schedule needs experience and wisdom of the following persons:

- Ship owners.

- Ports supervisors
- Stevedoring companies.

There is several assumptions the ship owners puts during the application of this schedule:

1- the liner ships will load as much cargo as it can get and the handling of cargo in the ship will be the responsibility of the workers in loading and discharging the ships.

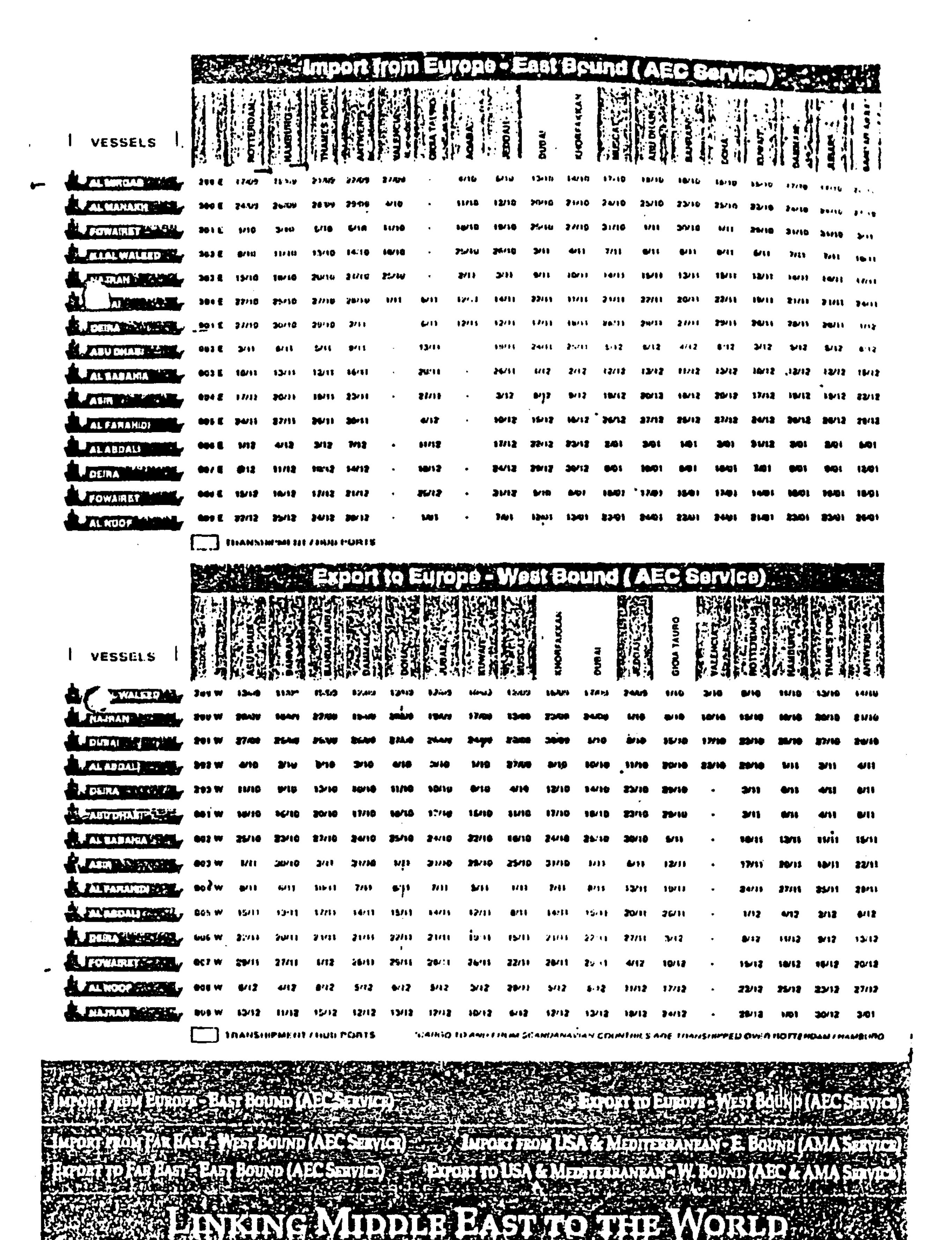
2- the ports described in the schedule wont change during the validity of the schedule as long as the work is stable and there is no turbulence.

3- there is no allowance for bad weather conditions unless there is information indicate to the impossibility of maintaining of the maximum speed of the ship.

Usually the delay in the schedule for 2 to3 hours, its not a critical problem but they may arise some problems if its accumulated.

In case of entrance of the ship to the dry port for maintenance operations we must keep in mind that the schedule put before that by months must accommodate for the ship to withdraw from the line.

In case of the tramp ship and oil tankers are rescheduled, it must be done with the organizing roles of the liner ships.



Import from Europe - East Bound (AEC Service)

VESSELS	Voyage	ROTTERDAM	HAMBURG	THAMES PORT	ANTWERP	VALENCIA	GIOIA TAURO	AQABA	JEDDAH	DUBAI	KHORFAKKAN	MUSCAT	ABU DHABI	BAHRAIN	DOHA	KUWAIT	DAMMAM	JUBAIL	BANDAR ABBAS
AL MIRQAB	299 E	17/09	15/09	21/09	22/09	27/09	-	6/10	6/10	13/10	14/10	17/10	18/10	18/10	16/10	15/10	17/10	[illegible]	[illegible]
AL MANAKH	300 E	24/09	26/09	28/09	29/09	4/10	-	11/10	12/10	20/10	21/10	24/10	25/10	23/10	25/10	23/10	24/10	[illegible]	[illegible]
FOWAIRET	301 E	1/10	3/10	5/10	6/10	11/10	-	18/10	19/10	25/10	27/10	31/10	1/11	30/10	1/11	29/10	31/10	31/10	3/11
AL WALEED	302 E	8/10	11/10	13/10	14/10	18/10	-	25/10	26/10	3/11	4/11	7/11	8/11	8/11	8/11	6/11	7/11	7/11	10/11
NAJRAN	303 E	15/10	18/10	20/10	21/10	25/10	-	2/11	3/11	9/11	10/11	14/11	15/11	13/11	15/11	13/11	14/11	14/11	17/11
AL [illegible]	304 E	22/10	25/10	27/10	28/10	1/11	6/11	12/11	14/11	22/11	11/11	21/11	27/11	20/11	22/11	19/11	21/11	21/11	24/11
DEIRA	901 E	27/10	30/10	29/10	2/11		6/11	12/11	12/11	17/11	16/11	26/11	29/11	27/11	29/11	26/11	28/11	26/11	1/12
ABU DHABI	002 E	3/11	6/11	5/11	9/11	-	13/11		19/11	24/11	25/11	1/12	6/12	4/12	6/12	3/12	5/12	5/12	6/12
AL SABAHIA	003 E	10/11	13/11	12/11	16/11	-	20/11	-	26/11	1/12	2/12	12/12	13/12	11/12	13/12	10/12	12/12	12/12	15/12
ASIR	004 E	17/11	20/11	19/11	23/11	-	27/11	-	3/12	8/12	9/12	19/12	20/12	18/12	20/12	17/12	19/12	19/12	22/12
AL FARAHIDI	005 E	24/11	27/11	26/11	30/11		4/12	-	10/12	15/12	16/12	26/12	27/12	25/12	27/12	24/12	26/12	26/12	29/12
AL ABDALI	006 E	1/12	4/12	3/12	7/12	-	11/12		17/12	22/12	23/12	2/01	3/01	1/01	3/01	31/12	2/01	2/01	5/01
DEIRA	007 E	8/12	11/12	10/12	14/12	-	18/12	-	24/12	29/12	30/12	9/01	10/01	8/01	10/01	7/01	9/01	9/01	12/01
FOWAIRET	008 E	15/12	18/12	17/12	21/12	-	25/12	-	31/12	5/01	6/01	16/01	17/01	15/01	17/01	14/01	16/01	16/01	19/01
AL NOOF	009 E	22/12	25/12	24/12	28/12	-	1/01	-	7/01	12/01	13/01	23/01	24/01	22/01	24/01	21/01	23/01	23/01	26/01

TRANSHIPMENT HUB PORTS

Export to Europe - West Bound (AEC Service)

VESSELS	Voyage	ABU DHABI	BAHRAIN	BANDAR ABBAS	DAMMAM	DOHA	JUBAIL	KUWAIT	MUSCAT	KHORFAKKAN	DUBAI	JEDDAH	GIOIA TAURO	VALENCIA	ROTTERDAM	HAMBURG	THAMES PORT	ANTWERP
AL WALEED	299 W	13/09	11/09	11/09	12/09	13/09	12/09	14/09	12/09	16/09	17/09	24/09	1/10	3/10	8/10	11/10	13/10	14/10
NAJRAN	200 W	20/09	18/09	27/09	19/09	20/09	19/09	17/09	13/09	23/09	24/09	1/10	8/10	10/10	15/10	18/10	20/10	21/10
DUBAI	201 W	27/09	25/09	25/09	26/09	27/09	26/09	24/09	23/09	30/09	1/10	8/10	15/10	17/10	22/10	25/10	27/10	28/10
AL ABDALI	202 W	4/10	2/10	2/10	3/10	4/10	3/10	1/10	27/09	8/10	10/10	11/10	20/10	23/10	29/10	1/11	3/11	4/11
DEIRA	203 W	11/10	9/10	13/10	10/10	11/10	10/10	8/10	4/10	12/10	14/10	23/10	29/10	-	3/11	6/11	4/11	8/11
ABU DHABI	001 W	18/10	16/10	20/10	17/10	18/10	17/10	15/10	11/10	17/10	18/10	23/10	29/10	-	3/11	6/11	4/11	8/11
AL SABAHIA	002 W	25/10	23/10	27/10	24/10	25/10	24/10	22/10	18/10	24/10	26/10	30/10	5/11	-	10/11	13/11	11/11	15/11
ASIR	003 W	1/11	30/10	3/11	31/10	1/11	31/10	29/10	25/10	31/10	1/11	6/11	12/11	-	17/11	20/11	18/11	22/11
AL FARAHIDI	004 W	8/11	6/11	10/11	7/11	8/11	7/11	5/11	1/11	7/11	8/11	13/11	19/11	-	24/11	27/11	25/11	29/11
AL ABDALI	005 W	15/11	13/11	17/11	14/11	15/11	14/11	12/11	8/11	14/11	15/11	20/11	26/11	-	1/12	4/12	2/12	6/12
DEIRA	006 W	22/11	20/11	21/11	21/11	22/11	21/11	19/11	15/11	21/11	22/11	27/11	3/12	-	8/12	11/12	9/12	13/12
FOWAIRET	007 W	29/11	27/11	1/12	28/11	29/11	28/11	26/11	22/11	28/11	29/11	4/12	10/12	-	15/12	18/12	16/12	20/12
AL NOOF	008 W	6/12	4/12	8/12	5/12	6/12	5/12	3/12	29/11	5/12	6/12	11/12	17/12	-	22/12	25/12	23/12	27/12
NAJRAN	009 W	13/12	11/12	15/12	12/12	13/12	12/12	10/12	6/12	12/12	13/12	18/12	24/12	-	29/12	1/01	30/12	3/01

TRANSHIPMENT HUB PORTS   *CARGO TO AND FROM SCANDINAVIAN COUNTRIES ARE TRANSHIPPED OVER ROTTERDAM / HAMBURG

2- Bunkering schedule

This also is one of the most important schedules that the regular liner ships rely on. It works in consistence with sailing schedules, and the members of the conference may agree on contracting with one dealer for all of their ships. Or they are free to contract individually, and that is according to the nature of the conference and how they account for the conference system. And we can find what distinguish the bunkering schedule in the following:

1- the place where the ship will be supplied with fuel.

2- the quantities of fuel that will be taken aboard the ship with the name of the importers, here we will notice that usually the owner of the ship deal with more than one supplier.

the bunkering schedule depends on:

1- there must be bunkering schedule that face any demands for the convention of cargo lines and regions of navigation .

2- the plane must be put according to the distances between ports and the consumption of the ship with providing places for facing the bad weather. As the ship must not be putting on extra quantity of fuel that may be replaced by cargo.

3- Capability of the ship to get its supply of fuel from the main ports or from other ports outside the line of navigation.

4- Capability of the ship to get its supply of fuel while handling operation.

5- if the supply was from the ports outside the course of the trip, moving outside the course must be very limited in distance.

6- the kinds of fuel must be in consistence with the machines in the ship, so that there is two types of fuel which are gas oil, for the main machine in the ship and solar for the secondary machines in the ship like the generators.

7- how the bunkering is done (through pipes, or they must be tied to the other tank, or any other mean)

8- the fuel prices in the ports during the sailing time ..

9- the presence of oils and fuels in ports of calls.

10- the rate of supply and the quantity of the fuel loaded during one hour.

11- the efficiency of the fuel supplier to fulfill the demands of the ship.

12- the possibility of having payment facilities.

13- the navigation of the ship is according to the international policies and the laws from the formal and semi formal institutions.

14- the feeling of the ship owner that the trip will gain or lose.

We can notice that the ship doesn't leave a well determined course for itself so that it can get fuel as cheap as possible, because the shift in the course takes the form of retardation, determined according the cost of the fuel prices. So that the fuel is usually determined in the port where the supply will occur so that it become adequate from :

Enough quantity with adequate price without retardation of the ship

The ship may shift from the regular line to get fuel with cheaper prices.

And therefore the process of fuel supply in regular lines is a matter of having ships more than a matter of having a plan that works frequently.

The most important negative points in the trade movement that may affect both of the navigation schedules and the bunkering schedules:

:1the direction of movement of some of the loads in one direction like ores, from developing countries to industrialized countries, or oil from exporting ports to importing ports then returning with the ship empty.

:2some countries may import good like grains so that the ship comes full in one direction and returns empty.

:3some governments may put restrictions on importing and exporting of some kinds of goods, and that affects the movement of the goods and makes it irregular.

:4some weather factors like wind and tide that may result in closing the port for long intervals of time. And the snow may result in closing the ports and the water channels for several months.

:5some passenger ships are not stable in the movement of transporting passengers that is in its crucial moment sometimes of the season and in other times the ship works with half its capacity.

:6international politics may play an important role in affecting the movement of cargo like economic boycott in some ports and countries.

:7the impact of the law issued from the united nations organization for trade and development UNCTAD on the movement of transporting cargo and how it is transported.

:8the impact of the American law, that half the ships going to and leaving the united states.

The rapid development for the ships in the eastern block and the loading with low prices lower than the global prices, that affected the activity of the conferences.

The role of agents

The agent :

Is the person who got the authorization from another person to do works. This authorization may be direct or indirect.

Agency:

The relationship between the initial person and his agent, and usually it is done through making a contract between the two parties.

Authorities of the agent:

The agent got the power to do what is possible to achieve the authorization given to him, and he must not exceed his limits in the authorization according to the traditions and common roles in the place of the contracting between the two persons.

The assignments of the agent toward the initial person:

He must do his work as mentioned in the contract of authorization and execute the orders of the initial person as long as it is legal.

In case of absence of direct orders the agent should work according to the common roles.

The agent must do what he can to achieve his work with a way that doesn't contradict with the nature of the authorization contract.

Navigation agent:

When the ship reach one of the principal ports the owner of the ship and its captain needs someone to do the legal and administrative working the foreign ports, and to assemble the ship against the authorities in this country, this person is the navigation agent and for that he gets his fees.

The assignments of the navigation agent:

:1making connections with the local authorities to tie the ship as soon as it reaches the port and when it leaves.

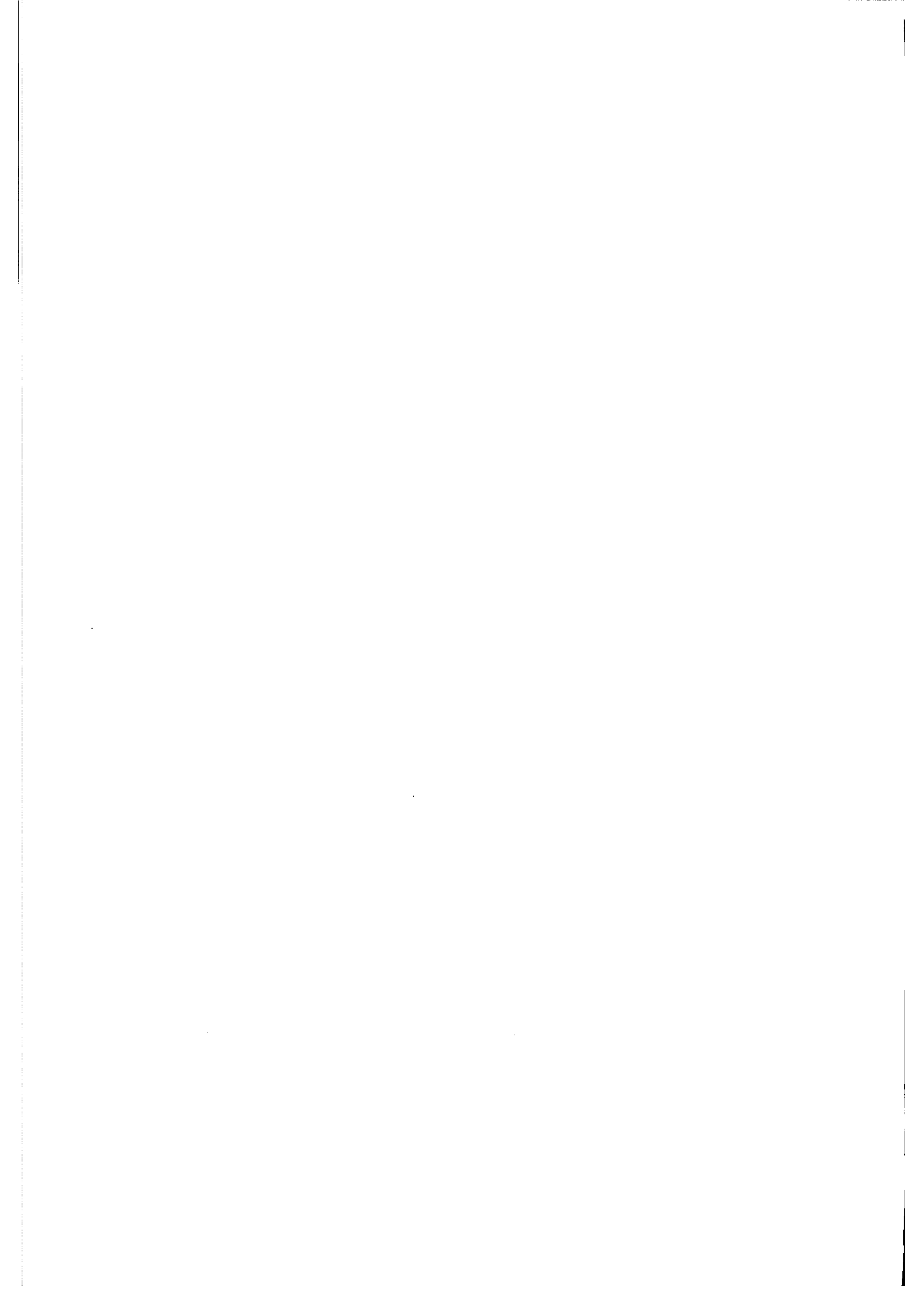
:2preparing the operations of loading and emptying and contracting with the loading contractors on behave of the owner.

:3reserving the cargo or delivering it to its owners.

:4reserving the spaces in the ship and marketing it and loading cargo.

Chapter FOUR

Freight rates



Freight rates

It is well know that the principal agreement between the members of any conference is an agreement applied on uniform rates freights, and to cease competence between the members because the conferences had put a limit for competition and made it competence on services only and can defined as :

The revenue from the owner and transporting the cargo in good shape and safe to the merchant. So that the main element in this definition is the arrival of the loaded **cargo in** good shape.

There is three standards for determining the freights rates, weight, measuring, or the value of the cargo, and that depends on the ship, but in case of weight and measure :

This means that the determined prices will be applied according to the cubic meter for ton (1000 kg or for each ton 1.133 cubic meter) whatever is more profitable.

The reason for determining the transported cargo in this method is that the cargo will make the ship reach the line of loading

before the provided space in the ship, while the light cargo will take the spaces of the ship without reaching the limit of maximum weight. So that the owner got only two choices, either to determine it according to the weight or according to the volume (measurement)

The tariff of regular lines is determined according to its prices on the cargo and this prices depends on the coordination factor of the goods, or the value of the goods and the situation of competence. In case of the add volrum rates or the added value it is determined according to the percent 1 to 2% of the total value of the goods, like a TV set, with the price of 200$ the ratio on each set will be 2$

If the freight is on the basis of 5$ then the 2$ will be added, so that the freight will be 7$

There is also open rates that depends on the big quantity goods.

There is a lot of factors affecting the determination of the freight
:

:1the characteristics of the cargo either it is vegetables or fruits or containers or boxes.

:2the volume of the cargo, the quantities of the present cargo on the navigation line in general.

:3the probabilities of losing due to the ruining of the cargo like fruits and vegetables.

:4the enveloping, the good enveloping has less freight.

:5coordinating the cargo.

:6the large weights like train cars.

:7the long cargo like wood.

:8competency:

a: the competence between the dealers in the service.

B: the competence between other transportation means

:9the direct operating costs:

A: the constant (consumption , cargo, insurance , etc(

B: the variable (the fees of the ports, fuel, crew fees, etc)

:10the marine distances between the leaving and arrival.

:11the cost of the freight

:12the navigation help like guiding and tracking.

:13the facilities in the ports, codes of the ports, site of the port, and the fees of the port.

:14the probability of crossing cannels.

:15the probability of returning cargo because of defects in the standards of the loader himself.

After taking all this factors in consideration there may be some emergency changes and this prices are put under the pane; of surcharges that appears with the main prices and we mention here examples for it:

:1prices of added fuel.

:2added prices for currency.

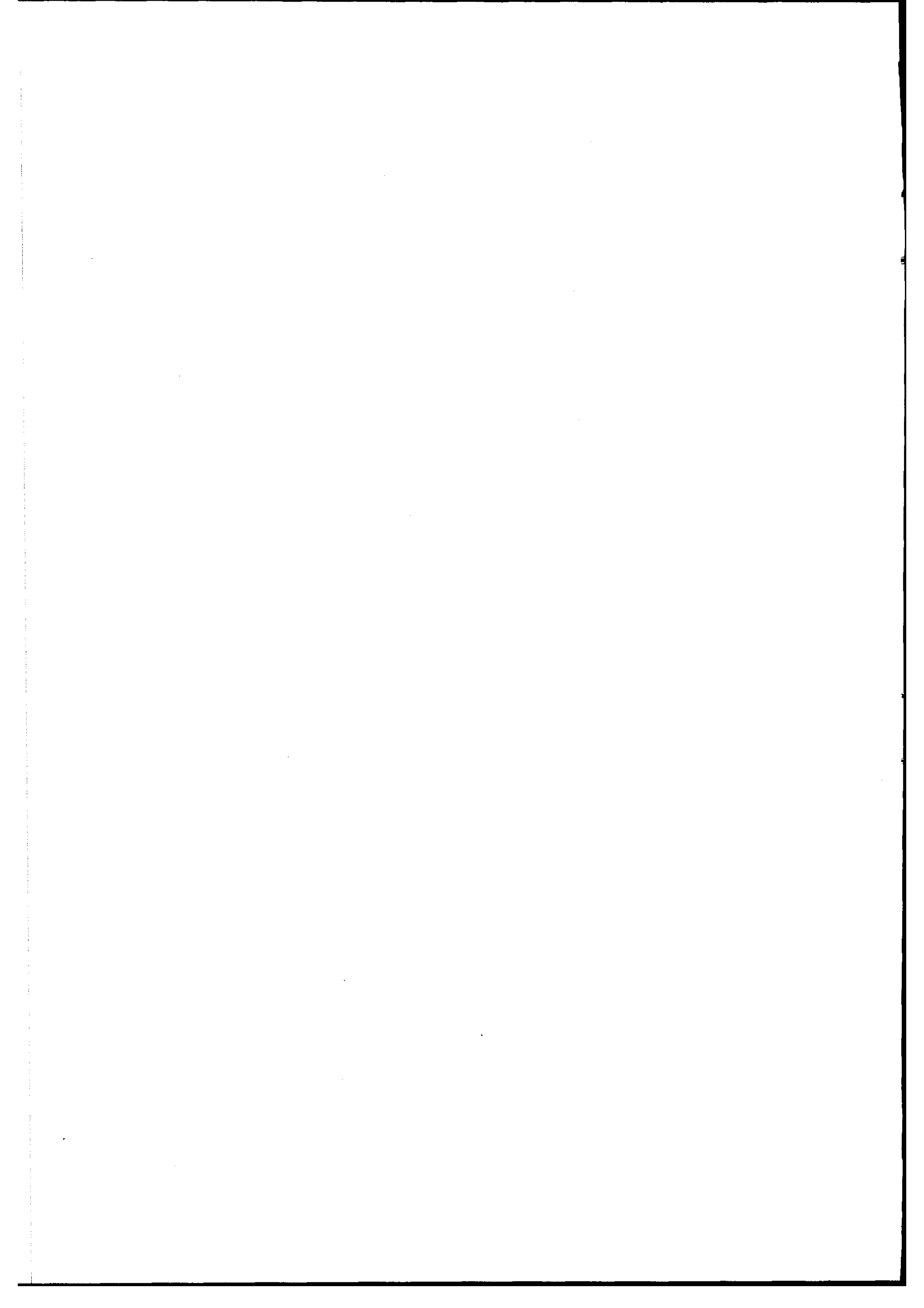
:3added prices for wars.

And the categories of the freights in the conference are divided to class rates, or determined types like commodity rates, and to the first time we attach what is called ratting, and it's a large number

of goods that is covered with one class, and it is well known for the presence of one group in this classes. To make for the freedom of the members of the conference in having different freights for different kinds of cargo. And as the categories of freights gets lower the number of rate classes gets smaller.

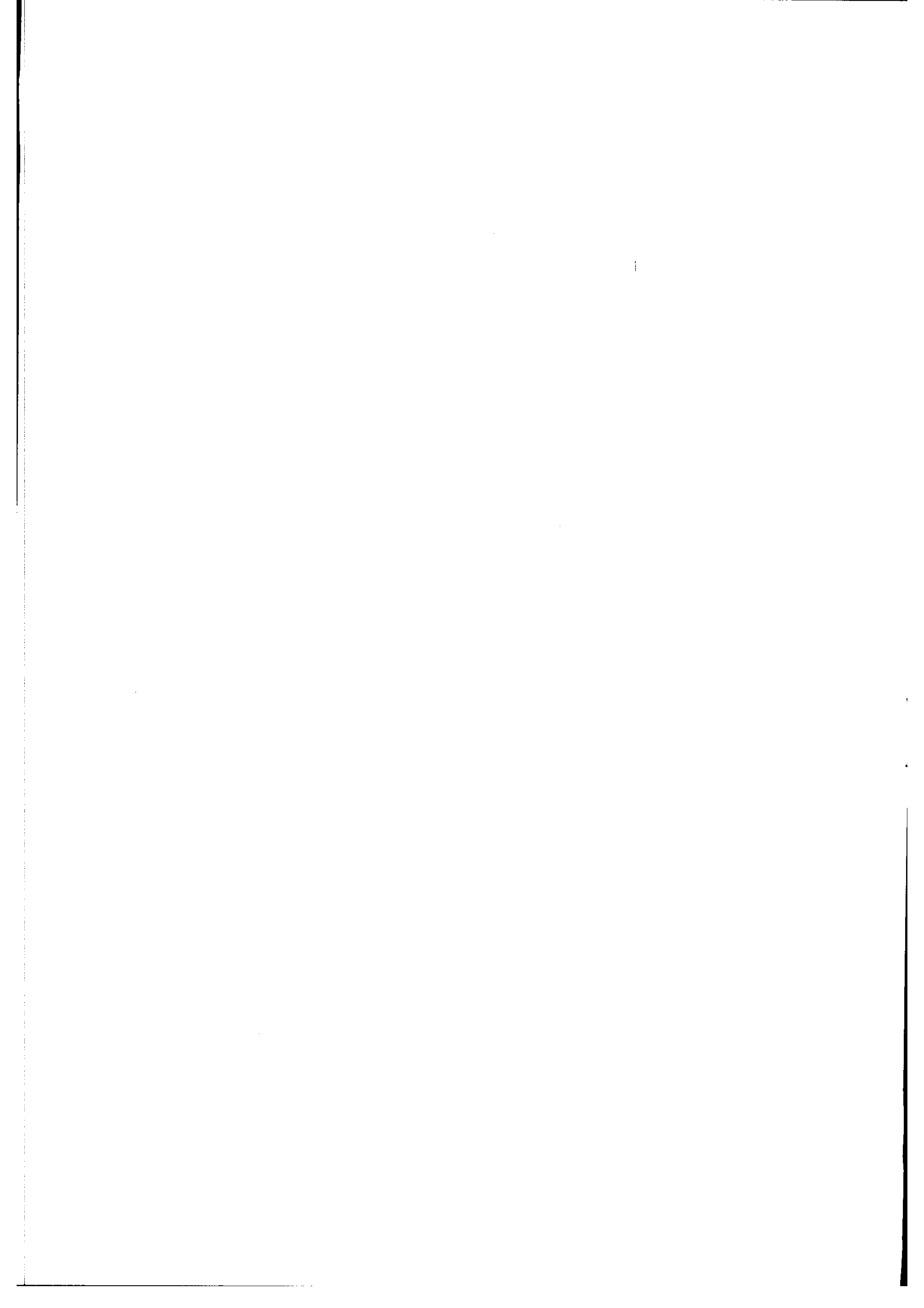
The other type of the classes of freights is putting the class of one freight from the commodity rate, and on this basis the goods is determined, an example for that is the sugar in boxes.

There is also through rate, at the loading of the cargo with a number of transporters in case of making transit from one port and that is done by importing a loading bill from the first transporter and he gets the cost of the whole transportation and divide the revenue with all other transporters.



Chapter Five

Documentation Of International Trade



Documentation of international trade

The international trade depends on many steps which are hard to abandon one of its elements, by accomplishing this elements the international trade is done and this steps can be mentioned in the following points:

:1making discussions of the trade deal between the exported and the importer according to this talks the contract of purchasing is done, and from the most famous contracting systems is :

Free on board FOB

Cost Insurance and Freight CIF

FOB: the exporter is responsible for the cargo until the ship appears.

CIF : the exporter is responsible for the cargo cost and the insurance and the freight.

In both cases the exporter is responsible for the monetary burden and after agreeing on that in the contract.

There is a lot of purchasing systems in international trade:

:1selling under condition of delivering the cargo in the site of its production. EX WORKS

:2under condition of delivery on the railway (FREE ON RAIL(

:3under condition of delivery beside the ship (FREE ALONGSIDE (

:4selling under condition of paying the value of the cargo added to it the fees of the marine transportation to the port of arrival (COST & FREIGHT)

:5the importer demands from the exporter what is called the purchasing bill which includes the type of the cargo/ value/ weight/ measure/ enveloping/ conditions of payment and delivery.

:6according to this bill the importer opens the authorization letter for the benefit of some documents like:

the main purchasing bill

the bill of loading

the insurance document

the document of the origin.

The document of the customs procedures from the country of the seller (the exporting registry)

Any other documents that were agreed upon between the seller and the payer like some papers from the embassies .

:7the exporter gets the export order

:8the exporter demands reserving the shipping declaration.

:9the loading of the cargo and getting the mates receipt that guarantee the arrival of the cargo and that shows if the cargo is safe or there is any defects

:10issuing of the insurance bill for the loading according to the conditions of the contract.

The bill is freight payable at destination, which means that the required freight will be paid at the port of arrival (FOB (

But if the freight is paid before reaching the port of loading the bill of loading is freight paid, this means that the contract is CIF.

Its well noticed that the loading bill doesn't include the name of the exporter, instead of that we write shippers order and that's in case of the dealing is for the first time, or there is no enough trust between the exporter and the importer. And for the selling of the cargo to happen there must be selling for another person.

To escape from the loading bill the exporter write on himself to the navigation company a letter of warranty to bear any returns to the company and it is called letter of idemination.

The loading bill is issued in three copies added to that a lot of secondary copies that is not dealable:

Both of the:

:1exporter : introduce it to the bank to get the authorization from the bank of the importer.

:2the importer: introduce it to the navigation agency and gets the delivery order.

:3the navigation company: preserve it as a document for the operations of the company.

:11the custom deals in the loading and emptying and in the warehouses .

:12the internal transportation inside the warehouses in the country or outside its territory.

And from this previously mentioned steps we can see the importance of the bill of loading and what is included from its functions we can mention here:

:1delivering the delivery bill, in the stage of loading and after that the bill that the captain indicate in that the cargo is following the standards.

:2a tool for proving the validity of the transportation between the importer and exporter.

:3a document for having the cargo.

:4a document for negotiations, as the cargo is transferred to the importer according to the previously agreed on roles.

GSL-H/S-1

BILL OF LADING

COPY

NON-NEGOTIABLE

غير قابل للتداول

GULF SHIPPING LINES LIMITED

Shipper (الشاحن)
AELIGA PTE LTD
3 Shenton Way 25-03
Shenton House
Singapore

Consignee (المرسل إليه)
To the order of Misr Romanian Bank SAE (Zamalek), Cairo

Notify party (الإخطار)
The General Jute Products Co
Shoubra El Kheima
Cairo Egypt

Pre-carriage by	Place of receipt/Service type
M.V. Haiphong	Haiphong Port
Ocean Vessel / **Voy. No.**	**Port of loading**
M.V. Commsan / 025	Singapore (سنغافورة)
Port of discharge	**Place of Delivery**
Suez Port	

No. of original Bs/L: Three (3)

Marks and Numbers	No. of containers or pkgs.	Kind of pkgs.	Description of goods	Container No. Seal No.	Gross weight	Measurement
	20,773	Bales (بالة)	Vietnamese Raw Jute Grade STX.8. as per sample submitted		1,206.7457M/T Gross 1,185.4727 M/T Net	

CLEAN ON BOARD

FREIGHT PREPAID

CREDIT NUMBER 25085/INC/A

(TOTAL: TWENTY THOUSAND SEVEN HUNDRED SEVENTY THREE BALES ONLY)

PARTICULARS FURNISHED BY SHIPPER

Freight and Charges

Habib Bank Limited
SINGAPORE
FDBC 12422

Converted @
Freight payable at
Total No. of containers or packages or units (in words)

Place of B(s)/L issue: Singapore (As at Haiphong Port) 15.6.88

For and on behalf of the Masters and Owners

As Agents only at .... Date ....

This bill is used only in two cases:

:1in case of the presence of a direct navigation line between the exporter and importer countries as the cargo is transported through a transit connecting them

:2in case of transporting cargo on more than one transportation mean, in this case the first transporter issue the bill of loading with its multi phases that covers all the phases of the trip. While the other transporters are obliged against the first transporter, and this bill is used in transportation via containers.

The development of containers this days had a vital role in changing the traditional documents in the regular lines

There is a need now for new documents to facilitate the movement of the containers from the point of view of dealing in the container and with the customs procedures.

And that's to get the most profit out of the containers system and to deliver cargo from door to door.

In the past, before using the containers there was discussions about the cargo and its characteristics and the price and now, the main point of discussions is about phrasing the documents used in the containers from the aspects of:

:1the international trade and marine transportation.

:2the nature of the documents of the containers.

:3the customs procedures.

:4the documents used in the port of arrival.

And also the changes in the needs of the loaders were it was about the ship in case of traditional transportations Now, with the usage of containers, the interest shifted to the transporting company that bears the responsibility of transporting the cargo from one point to another

Therefore, there appeared several new forms of contracts for containers like :

:1house to house.

:2from the warehouse to the pier and vise versa.

:3pier to pier.

According to the agreement between the exporter and the importer on the method of making the contract, the bill or loading is issued to cover all matters between the exporter and the importer.

Forms of documents used in the transportation via containers:

:1the forward international association.

:2the combined transport document

:3the multi model document ISS UED in 1980.

And in case of the customs obstacles

There is several international agreements registered at the containers center.

The containers documents used at the ports

Before the arrival of the ship to the port the navigation line sends the following documents to the agent:

:1the coordination plan.

:2the cargo manifest.

:3a record for the dangerous goods.

:4a record about the refrigerator containers.

Note:

The coordination plan is called bay plane

For the container to be left empty we must do the following:

:1permission from the customs.

:2permission from the container freight stations (CFS(

:3the customary allowance.

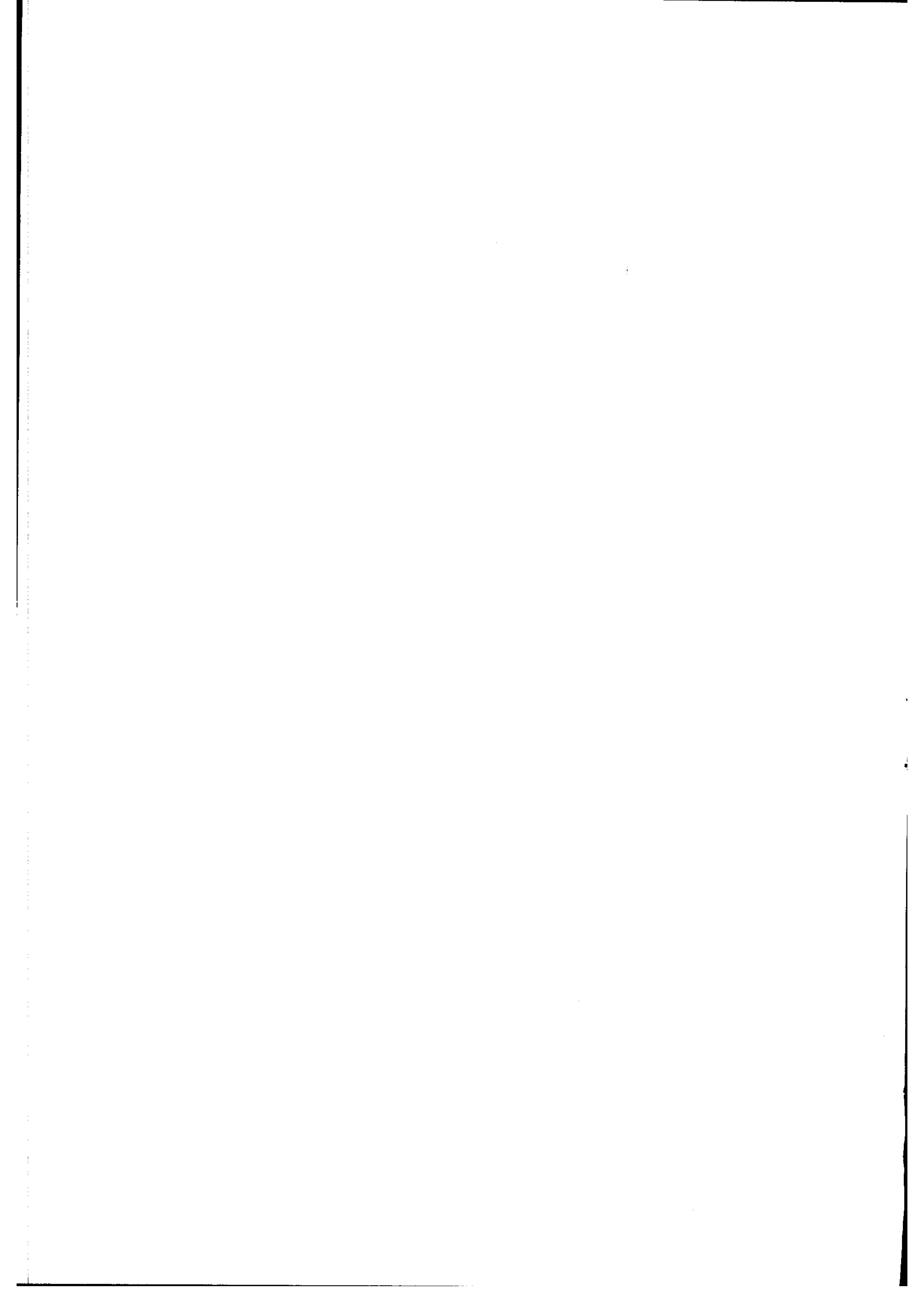
After the end of the trip we must introduce:

:1a report about the load of the containers, loaded and empty containers.

:2report about the emptying operation.

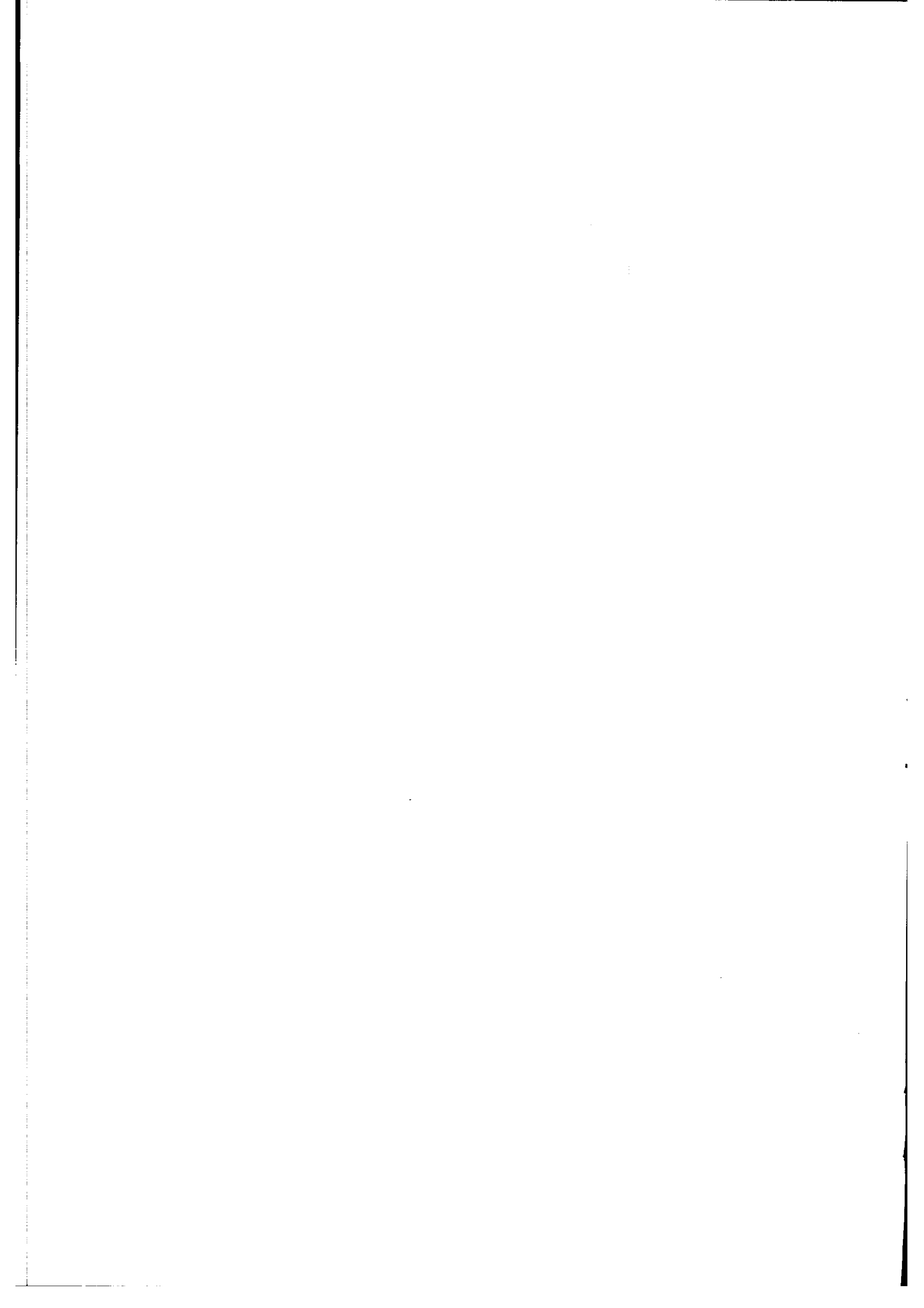
:3the arrival of the freight of the containers.

:4the arrival of the authorization.



Chapter Six

Multi-Modal Transport



Multi mode transport

Introduction:

The multi model transport is aiming at finding innovative styles of coordinating the operations of transport, to make the transport process efficient and to low its costs on the local and international levels. And that can be achieved through coordinating and registering the administrative and customary services and through coded emails.

The strategy must focus on the development of multi model transport ,and the elements forming it, and the main evolutions in it, and the priorities are depending on the conditions of the region in general and the multi model transport in particular.

The main elements related to the field of multi model transport varies from a country to the other, but we find that the technological means makes it similar to a great extent all over the

world. And the presence of computers in this countries to transport the files of multi model transport.

The facilitation of crossing of the containers is a crucial factor in the flow of multi model transport on the regional and international levels and for the container to be an effective unit, there must be some criteria like the presence of containers stations or main gathering centers.

In this field the customs procedures is the main factor in facilitating the transport, while the national systems determine the customary procedures and the procedures of crossing the borders, and bilateral and multilateral agreements that coordinate the procedures to facilitate the transportation between the involved countries.

The strategy must take into consideration the need for developing a multi model transport system, while doing so there is several factors on the country, region, and international level. And this factors will affect the multi model transport without making the

other sectors lose its right to develop, and the main factor may not be the same in all the countries, and it may be the containers stations, or the electronic needs which differs from a country to another. The strategy must stress on determining the priorities that each country see, but under the panel of the international trade. The developments in the field of technology has great impacts must be taken into consideration. And the region as a receiver for the technology must chose what will be in its interest and what wont be good for its sake.

It's a new system in itself, as the responsibilities of the transporter became covering new areas.

MTO definition:

The transport of cargo by two means, transport on the basis of multi model transport system, where the transportation is done from a site in a country to the site of delivery.

The definition of the operators of MTO

The person that takes over regulating the transport of the vial with more than one transport mean, also he is the one who issue the document of transport for the whole transport operation.

Types of operators of MTO

:1vessels operators, multi model transport operator (VOMTO(

:2non vessels operators multi model transport operators (NVOMTO)

:3freight forwarders

most of the multi model transport include at least one marine trip.

There is several types of transport with document applied on the operators in different transport operations.

1. The problem is to find where the loss and damage occurred
2. We find the Trans bill of lading while the UN laws improve it.

3. And the revolutionized the multimode convention which became the main improvement to the current unknown duties.
4. Hague rules are only concerned with maritime transportation.
5. The main duty of the multimodal transport is: from the time the goods are taken in till their delivery.
6. And the duty of the multimodal carrier must be independent in the duty of the sub contractor.
7. Multimodal transport documents.
8. The following criteria must be available to the multimodal operator and every government must its own policies.
9. The multimodal transport has cured the most important two aspects in shipping industry.

I. The consolidation aspect has improved itself by reducing the cost of goods transported and this is better than the traditional way.

II. Safety the goods has to be delivered safely and in good apparent condition to its final destination and this way was improved my containerization.

The multimodal transport depends on:

.1Container sizes (ISO(
.2Container exchange around the world
.3Contractual part of all parties
.4Reducing the shipping documents
.5Inspection points in all container terminals
.6Usage of computer systems
.7Cargo handling equipments

.8Unified laws about the containers for individuals.
.9Cargo claims and insurance coverage.

Multimodal transport obligation

1. There must be international rules between the 2 parties in two different countries .
2. There must be 2 different modes of transport
3. There must be a bill of lading covering the whole trip
4. The duty of the carrier is more than the cargo owner
5. The carrier is responsible to transport the goods thought different modes of transport.

Duties of the cargo operator

1. Preparing and issuing all shipping documents example bill of lading certificate of origin customs paper and insurance policies.
2. Planning and calculating all the trips tariffs and rates and safety
3. Booking cargo spaces on different modes of transport
4. Offering other services as packing and warehousing
5. Consolidating
6. Payment of all shipping rates and freights
7. Preparing cargo to be inspected by customs and clearance of imported and exported goods
8. Offering full advice to customers from commercial part or financial part specially for foreign countries
9. Helping customers in negotiating for their commercial standings

10. Informing clients of any changes in laws concerning commerce and export and import status either locally or internationally

Which appears to us from the cargo operator liability that follows

i. The cargo operator must have a warehouse where he can consolidate shipments

ii. He must own a warehouse for packaging and delivery

iii. He must be able to gather or distribute shipments from / to his clients

iv. He must take all necessary actions by insuring on the cargo he received

v. He must make clients trust him in order to by and sell goods on behalf of the client

vi. Provide clients with researches on local and international markets

The elements concerning the multimodal operations

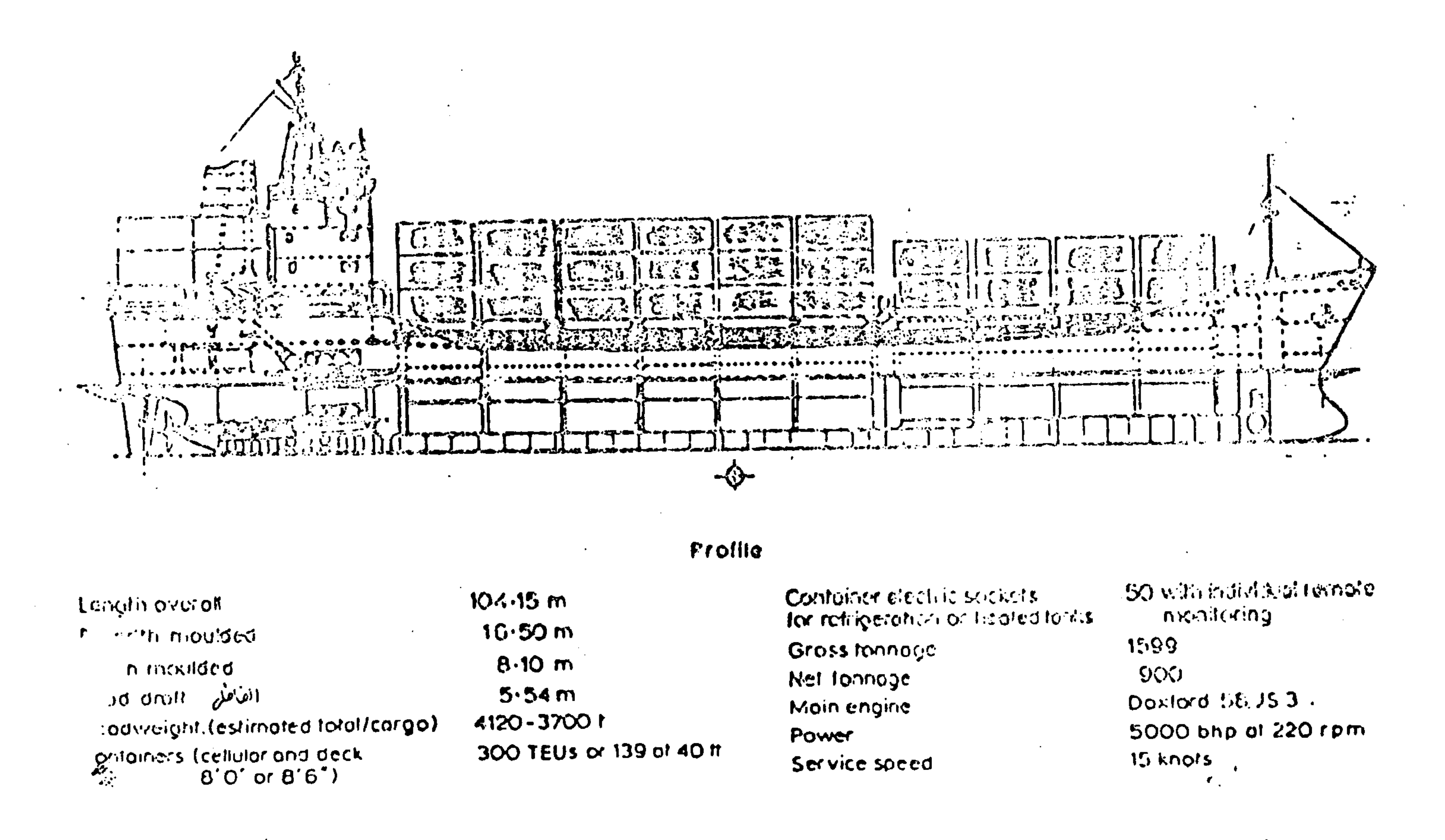
1. Create a net where all the cargo operators can gather together to act as one
2. Provide an information system where they can track and trace incoming and outgoing packages
3. To gain advantage from the logistical operations where as to provide time and place utility and to deliver the goods at the right place in the right time and at the desired condition
4. Provide man power experience in this type of transcript Prepare and perform rules which comply with this type of transcript specially custom duties

5. Provide the proper facility in serving the containers from road, warehouse and provide necessary investments

Containerization

Container ships has passed through five improvements levels from the sixties until early nineties, called the five generations as its clear in the following table that in the early nineties appeared for the first time the container ships without hatch covers which is considered from the six generation however the 20 feet container's maximum capacity was 4000 units
While the fifth generation ships there capacity comes up to seven thousand units and these ships with no hatch covers works on it only seven seamen and this is considered a spectacular achievement

Speed	Teu's	Length (meters(	Year of building	generation
20.6	700	171	1968	First generation
21.5	1500	227	1969	Second generation
36.0	3000	290	1972	Third generation
18.0	4218	289.5	1984	Fourth generation
16.5	6800	386.5	1987	Fifth generation
23.1	4000	365	93-1991	Sixth generation



Length overall	104·15 m	Container electric sockets for refrigeration or heated tanks	50 with individual remote monitoring
...th moulded	10·50 m	Gross tonnage	1599
...n moulded	8·10 m	Net tonnage	900
...d draft	5·54 m	Main engine	Doxford 58 JS 3
...oadweight (estimated total/cargo)	4120-3700 t	Power	5000 bhp at 220 rpm
...ontainers (cellular and deck 8'0" or 8'6")	300 TEUs or 139 of 40 ft	Service speed	15 knots

Diagram XXI A modern container vessel engaged on the UK – Mediterranean – Middle East trade

Utility Trailer Manufacturing Company designs, engineers, builds, and services a complete line of trailers, including flatbeds, reefers, dry freight vans, and curtain-sided trailers. Produced in six manufacturing facilities throughout the U.S., Utility has led the trucking industry in innovation since 1914.

Today over eighty-six years later, that promise of innovation continues as the third and fourth generations of the oldest privately owned and operated trailer manufacturer guide Utility through the 21st century.

Utility is the #1 selling reefer in the world! Besides having the highest quality standard trailers, we specialize in custom designs and options to meet the special transportation requirements of our customer.

The Cruise People Ltd offers freighter voyages of from one week to 120 days in duration, depending on itinerary, and now represents almost 400 freighters carrying passengers worldwide. While working ships, many were built in the 1990s and later, all offer outside accommodations and many of the cabins are actually suites with a separate dayroom and bedroom, but be prepared for schedule changes.

Much More than a Packaging Company

At the core of ISC's unique competency is the technology, which led to the company's formation in 1982 - a proprietary

manufacturing process that produces, insulated shipping containers with unequaled thermal performance? Though these containers provide an excellent solution for many companies, ISC recognized that its clients needed more than a package - they needed a partner in developing effective solutions for their unique shipping challenges. As a result, ISC rapidly expanded its products and services, and now offers not only high performance insulated containers, but just as importantly, client services that include technical consultation, engineering, testing, education, and container refurbishing and reuse programs for the U.S. and Europe. The company's unsurpassed knowledge of thermal packaging technology makes it a valuable partner in defining the ideal solution - whether it be insulated containers, bulk transportation systems or even point of purchase product displays.

For liner and tramp vessels calling at Oman, including containers, RoRo, break bulk, project and heavy lift cargoes, GAC Oman provides Principals with efficient, cost- effective operations together with local and international marketing.

Since the beginning, GAC Oman has handled a large number of the tankers at Mina Al Fahal and has developed excellent contacts with the port authorities involved in the export of oil products from Oman.

GAC Oman handles many of the cruise vessels calling at Oman. Our expertise is aimed at the efficient handling of the cruise

vessel in port, working hand-in-hand with the local tour operator. The reliable, long established relationships GAC Oman has with the local Immigration, Customs and Port Authorities, assures Principals of the ultimate service to cruise vessels.

In its capacity as Correspondent for most of the International Group P&I Clubs, GAC Oman assists with claims or problems which may be of concern to the P&I Clubs. This includes providing assistance to both ship owners and charterers who may find themselves involved in P&I and/or Defense cases. As the Clubs' P&I Correspondent, GAC Oman is available 24 hour a day, 365 days a year, to react to any notification of a P&I casualty in Oman. Such casualties in Oman include everything from routine containerised cargo claims to major incidents such as collisions and serious oil pollution. In its role as the Clubs' P&I Correspondent, it is the responsibility of GAC Oman to assist and manage an incident which may arise at any time of the day or night.

Furthermore, GAC Oman is able to assist in the investigation and handling of claims and also has the necessary local and international knowledge to arrange expert assistance through the use of surveyors and lawyers

Freight Forwarding

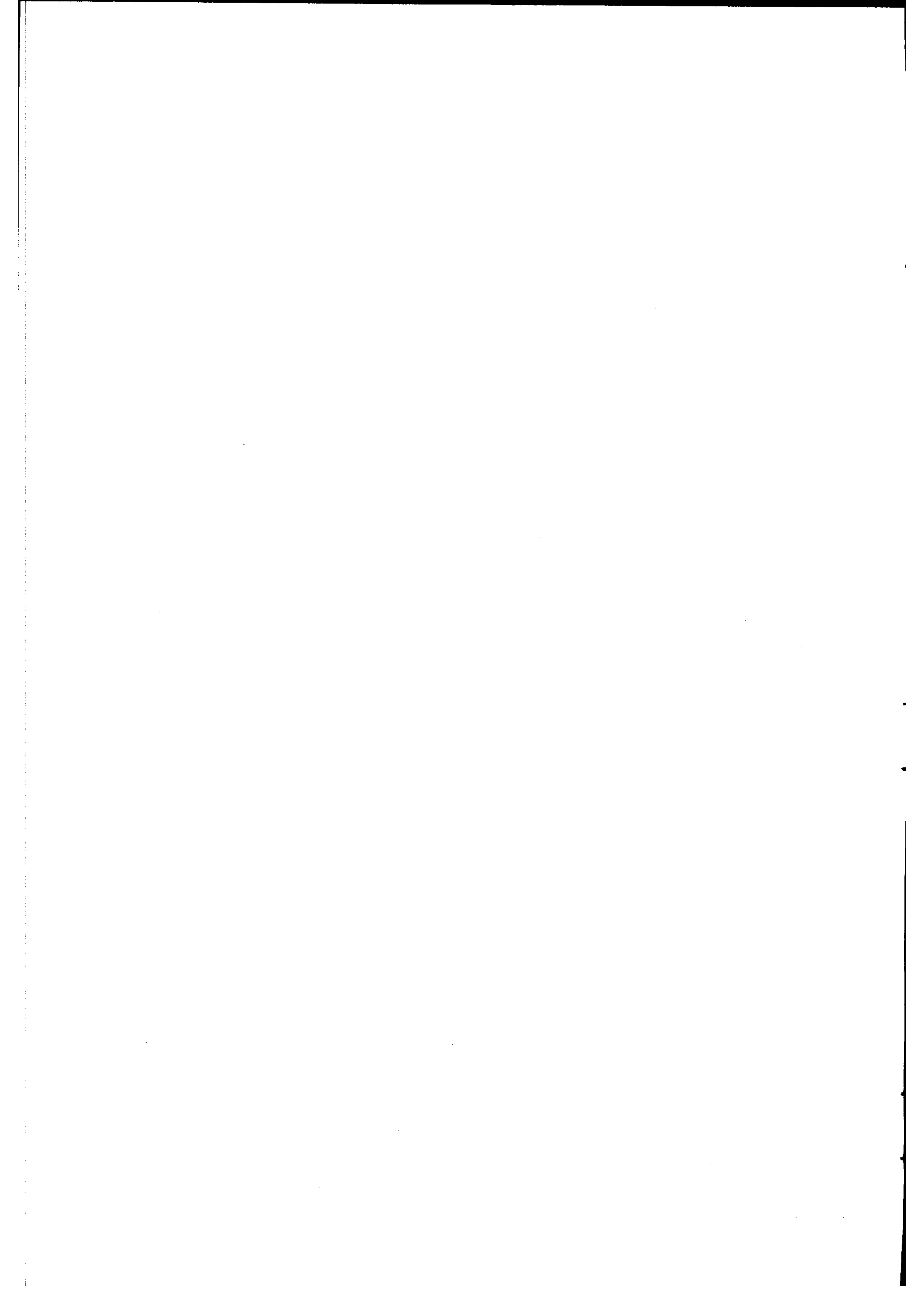
We have freight forwarding representation in all major ports and offer a true house to house service, including customs clearance, banking, packaging, air freight, ocean freight, warehousing, and distribution

Customs Brokerage

We are a full service company, which specializes in the handling of freight forwarding & customs brokerage. We ship worldwide to any major port in the world. Shipping from a container to a total project, your business is handled with personalized and professional services.

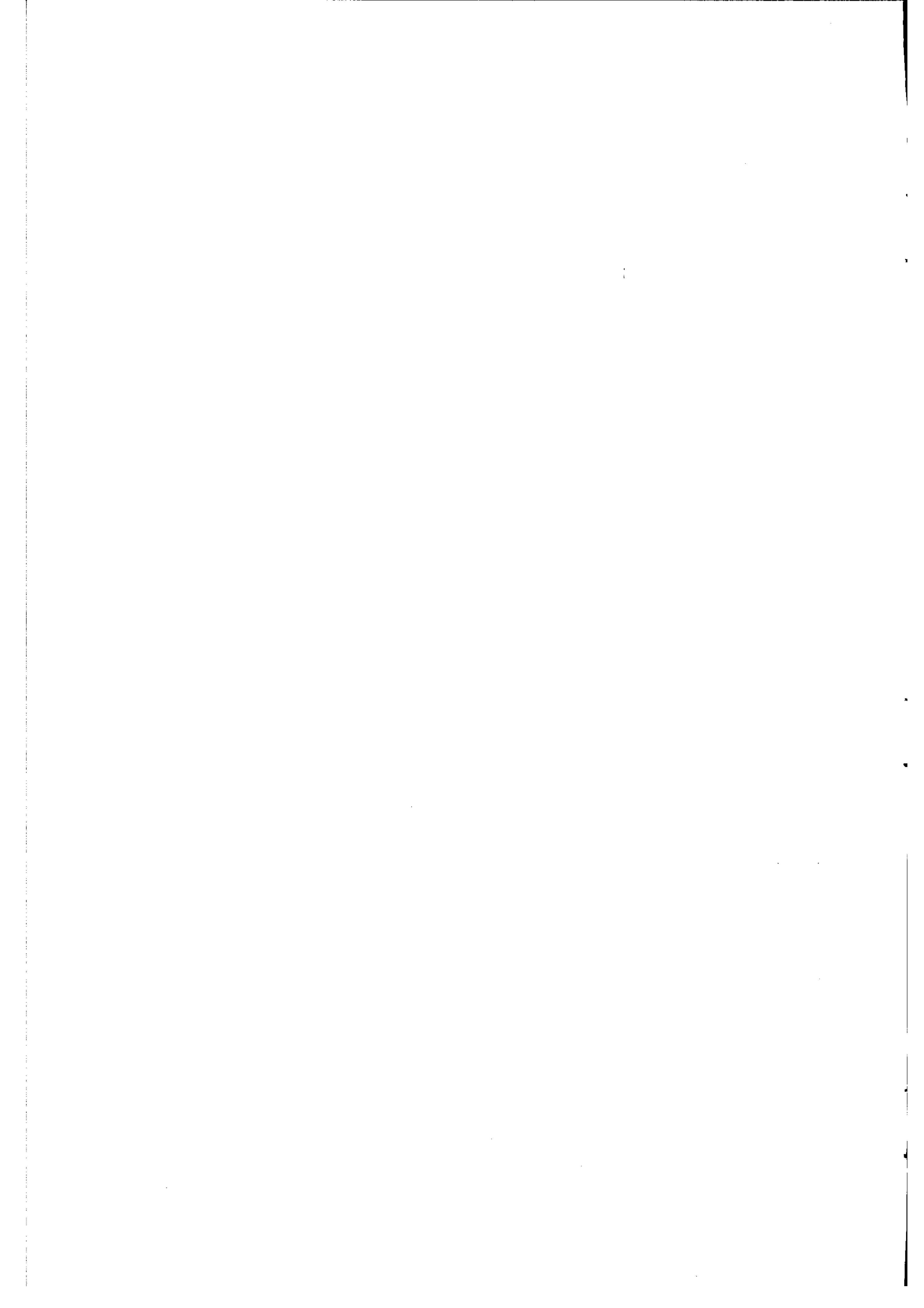
Auto Shipping

With almost two decades of experience in exporting & import cars, Jumbo Transport has established an international reputation in car shipping. Our clients include vintage car dealers who routinely entrust us with their car shipping worldwide



Chapter Seven

Liner Code Of Conduct (40-40-20)



Liner code of conduct (20-40-40)

Introduction

Introduction: the united nation and the commerce which works on solving the problem concerning the maritime transport in the united nations and is considered as one of its facilities UNCTAD united nation conference for trade and development which happens to contain the most essential law of this century as its known to us its from the united nations and there is an inside arrangement private which divides the world into different many organizations divided into three parts

A: Europe and includes U.S.A
C: communist countries and Russia
3 :77rd world countries

The main objectives of these divisions is to facilitate certain issues inside the U.N and it's considered non negotiable. What we want to clarify is that when there is a problem there must be a minimum for agreeing on the proposals and when proposing the law of 40-40-20 the representative of the group 77 which was Indian by proposing monopolistic problem for the local conferences in transporting goods belonging to these countries and taking away their fleet also not agreeing on the conference for these countries to participate as members in the conference.

1. This law is considered on the important elements for knowing the name goal for this century in the maritime field

i. Coming up with a changement in the maritime field, which is 40% of the global capacity.
ii. Specially organized lines this law plays an important law, which helps in achieving this goals.

- Reducing investment crisis.
- The third world countries have to insure on cargo.

iii. Aiding ships
iv. Registering ships
v. Multimode transport and operating it
vi. Supportive laws

.2The goals of these laws are:

I. Insuring on the members rights in commercial trade in local lines which gives them the right in transporting an amount of the foreign trade for their country sake.
II. Equivalence in rights between cargo owners and ship owners
III. Facilitating the enlargement for organized lines

.3The law has organized the relation between the members of the conference and the lines specially the rights in accepting the shipping lines in the conference, which serve their countries in foreign trade

.4The pooling system affects the distribution of the shares in the goods so as income

.5This law has affected agreement for loyalty and gave the right to the shippers to invest for private things such as freights and loyalty services and committed the tariff surcharge

.6The law was proposed in 1972 and became working in April 6, 1973 after signature of Germany and Holland which became the 57, 58 counties signing this treaty

.7The monopolistic conferences were reduced and give the outsider competitor in many areas more than 50% discount other than shares in goods

.8The real story is that this law was applicable on all maritime conferences and not on commercial lines

.9There was a lot of enforcement on the 40-40-20, which gave equity in the cargo shares .

.10Some contradiction on the agreement stressed on:

Now there are a number of the 3rd world countries totally or partially on transporting its own share of the local commerce distributed on its fleet and these countries prefer to sell their shares on the cargo at the highest prices

Changes in facilities of the organized lines and reviewing the 40-40-20 laws

1. Changing the line system for the liner system
2. Exchanging public vessels with container vessels with increase in size of these ships
3. Revolutionization of public services for these ships up to 7000 TEU
4. All these changes means changes in:

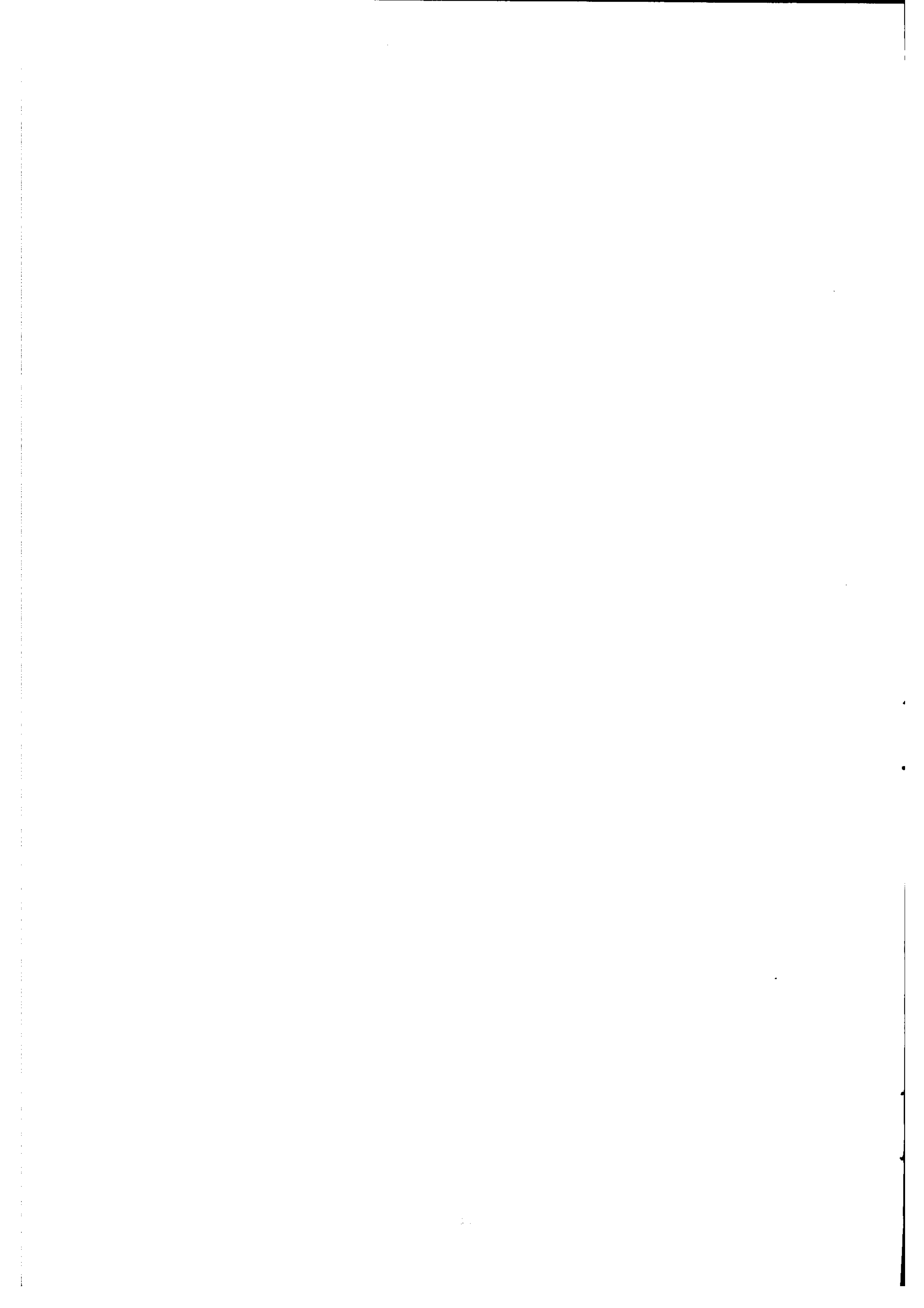
- Operational organization in organized lines
- Roots of the organized lines

All of this in the shadow or out of the maritime organization

5. Replacement of the old maritime line Consortia cargo grouping and increase of exchanging empty containers and its places slot charter
6. The multimode transport revolutionized and used 1 bill of lading for the multimode transport
7. Transport vehicles supported by buttress replaced the old maritime lines.
8. Taking advices from shippers as stated in the 40-40-20

Chapter Eight

Organization Of A Shipping Company



Shipping company

This system consists of liner services as:

1. Board of directors
   These directors there responsibility to take care of the managing areas and the financial parts and put policies for the company its formed from five to 20 directors
2. President
   His responsibility in front of the directors is to take care of the financial part of the company to insure the interest from the invested money
3. Sectary
   Keeps track of the documents concerned with the organization with the legal administrative
4. The treasure
   He is financial advisor and vice president responsible of putting all global reports for the financial statues of the company
   While the editor and the financers with the special accounts to vessels
5. Accountant:
   This department is responsible for surveying.
6. Traffic department
   The shipping company needs a marketing department to buy and sell the company product or services
7. The operation department
   All of the fleet is this departments responsibility from the point of view inspection and its capacity to carry cargo and

here we clarify that duties that are offered from the operation department are completing each other

Traffic department

It consist of:

1. Vice president traffic
   A: finding cargo to fill the ship
   B: presenting reports for all cargo statues
   C: contracts with ports manager and handling operator and financial advisor and freight collectors

Outside the company he might be involved in other duties such as packaging
Sometimes he may be with a team to fight against freight wars

2. The freight traffic manger
   He is a vice president to the operation manager

.3 General freight manger .

He is the person in charge of the salesmen and he organizes the part with the shippers and the maritime transport (broker)
He register ships / information / statistics

The freight department is divided into two main aspects
Foreign freight department

He registered some of the cargo
Stays in contact with the shippers to distribute the cargo
Stays in contact with the operation department for fuel and storage

Purples which is an agent on board the ship for freight department
Internal freight department
To find the cargo receivers without delay

Operation department

Consists of:
Vice president operation
He supervises on the fleet operation
Ship construction – operation – handling
Recruit seamen comes to the vice president
Ranking people with the help of maritime department

Operating manager
He is the person in charge of this department to coordinate all activities.

Marine superintendent
He is the person in charge of the company's fleet and all what concerns it as dry-docking.

Superintendent engineer
He is the person in charge of the mechanical part on the ship.

Commissary superintendent
He is the person in charge for the salon for all ships ex. Food/ water.

Purchasing agent
He is one of the most important of this community because he is in charge of buying any orders needed by any department from the previous 3 departments and he is the main resource needed for the operation department.
(Look figure 3 and 4).

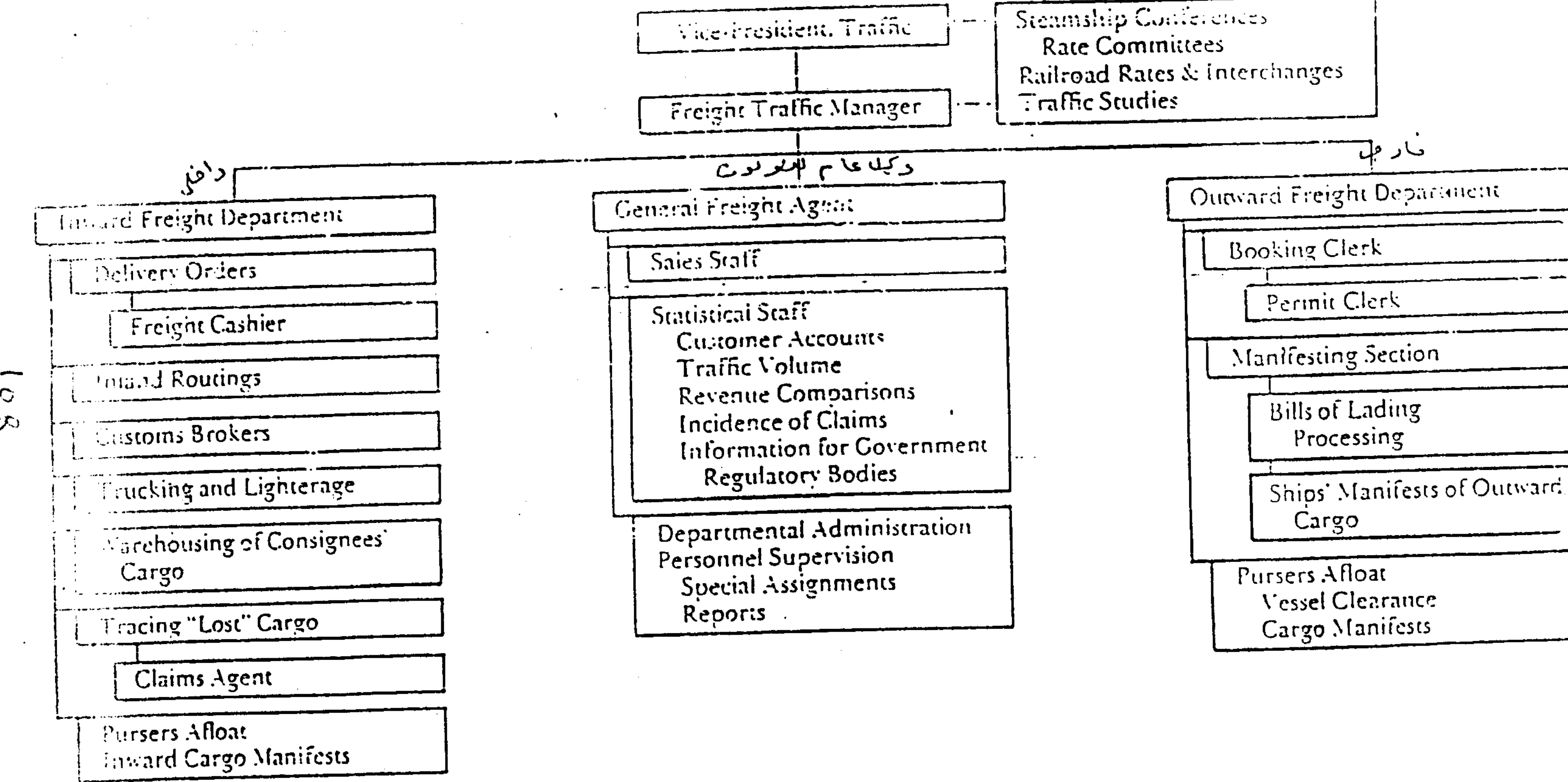
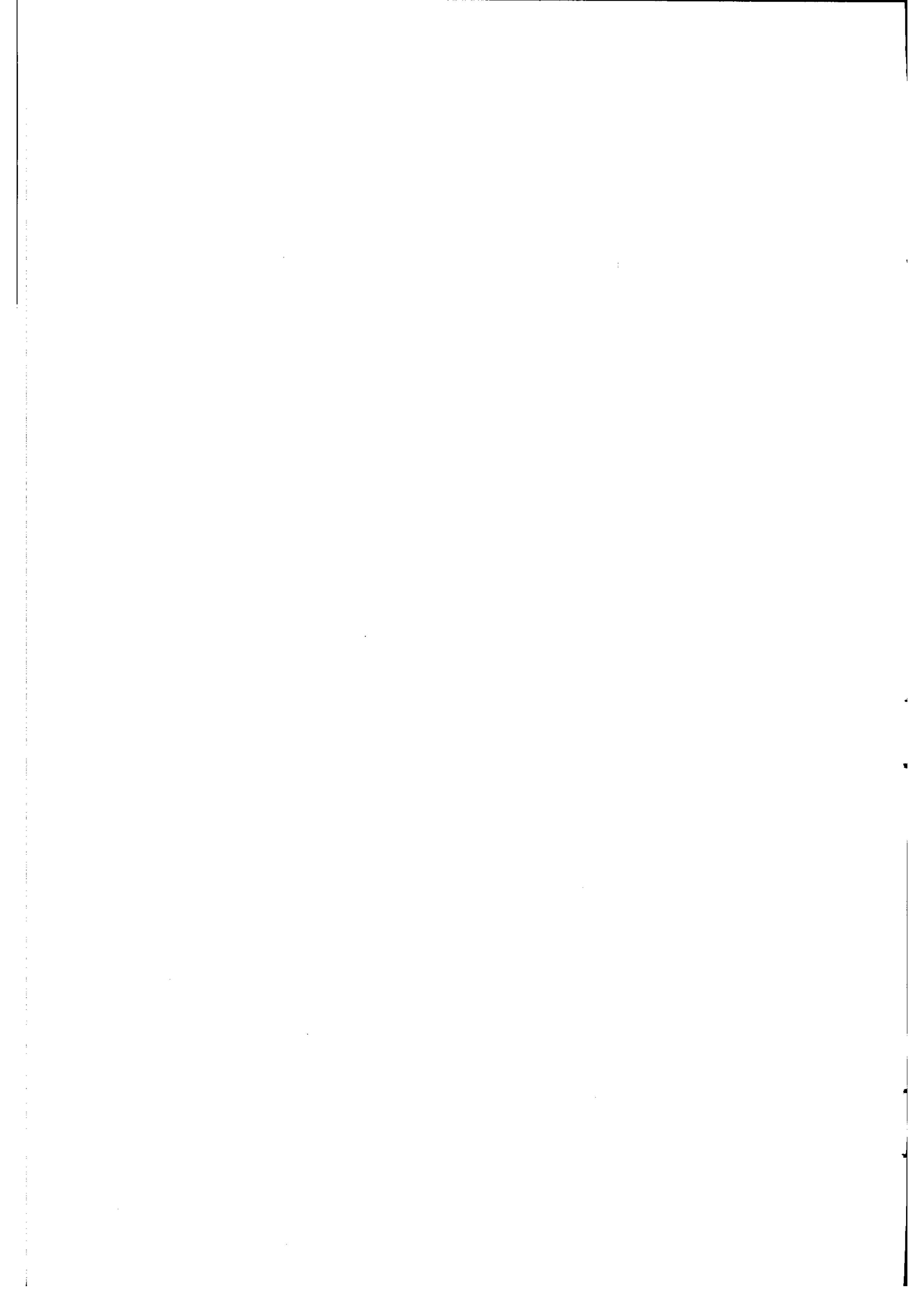

CHART NO. 3 TRAFFIC DEPARTMENT
Vice-President, Traffic
Steamship Conferences
Rate Committees
Railroad Rates & Interchanges
Traffic Studies
Freight Traffic Manager
داخلي
وكيل عام
خارجي
Inward Freight Department
Delivery Orders
Freight Cashier
Inland Routings
Customs Brokers
Trucking and Lighterage
Warehousing of Consignees' Cargo
Tracing "Lost" Cargo
Claims Agent
Pursers Afloat
Inward Cargo Manifests
General Freight Agent
Sales Staff
Statistical Staff
Customer Accounts
Traffic Volume
Revenue Comparisons
Incidence of Claims
Information for Government Regulatory Bodies
Departmental Administration
Personnel Supervision
Special Assignments
Reports
Outward Freight Department
Booking Clerk
Permit Clerk
Manifesting Section
Bills of Lading Processing
Ships' Manifests of Outward Cargo
Pursers Afloat
Vessel Clearance
Cargo Manifests

CHART NO. 14 OPERATING DEPARTMENT

- Vice-President, Operations
  - Operating Manager
    - Marine Superintendent
      - Supervises Deck Personnel
        - Union Hiring Halls
      - Maintenance & Repair of Hull & Deck Machinery
        - Dry-Docking
      - Stores and Parts Requisitions
      - Seaworthiness Voyage Instructions
      - Company Inspections
      - Government and other Inspections
      - Safety
      - Deck Cadets
    - Superintendent Engineer
      - Supervises Engineering Personnel
        - Union Hiring Halls
      - Maintenance and Repair of ships
        - Dry-Docking
      - Stores and Parts Requisitions
      - Seaworthiness Voyage Instructions
        - Fueling Procedures
      - Company Inspections
      - Government & other Inspections
      - Safety
      - Engineer Cadets
    - Commissary Superintendent
      - Supervises Steward Personnel
        - Union Hiring Halls
      - Stewards Departments Afloat Policies Maintenance Supplies Master Menu
      - Stores Requisitions
        - Checking Deliveries
      - Government & other Inspections
      - Company Inspections
      - Inventories
      - Safety
    - Purchasing Agent
      - Purchasing
        - Marine Superintendent
        - Superintendent Engineer
        - Commissary Superintendent
      - Checking Deliveries
      - Inventories of Vessel Stores and Equipment
      - Records Vessel Supply Data Stores and Spare Parts Standards Lists
      - Processing Suppliers' Bills for Payment
        - Cashier
    - Terminal Manager
      - (See Chart No. 4)

Chapter Nine

Marketing Of Transport Services



Marketing of transport Services

The income is considered as an essential element in the maritime transportation field, which is known for its high investments and its high capital money

You have to understand that the product life depends also on the service

The person in charge of the marketing department must tack tick for service, which must be covered for eternity.

The concept of transportation services and distribution is to create the opportunity of taking advantage of time and place and customers transportation

Mostly proposed freights to the markets are:
It's the mode, which the company tries to achieve for everyone to know the markets needs (now and future) and the essential steps must be taken in consideration.

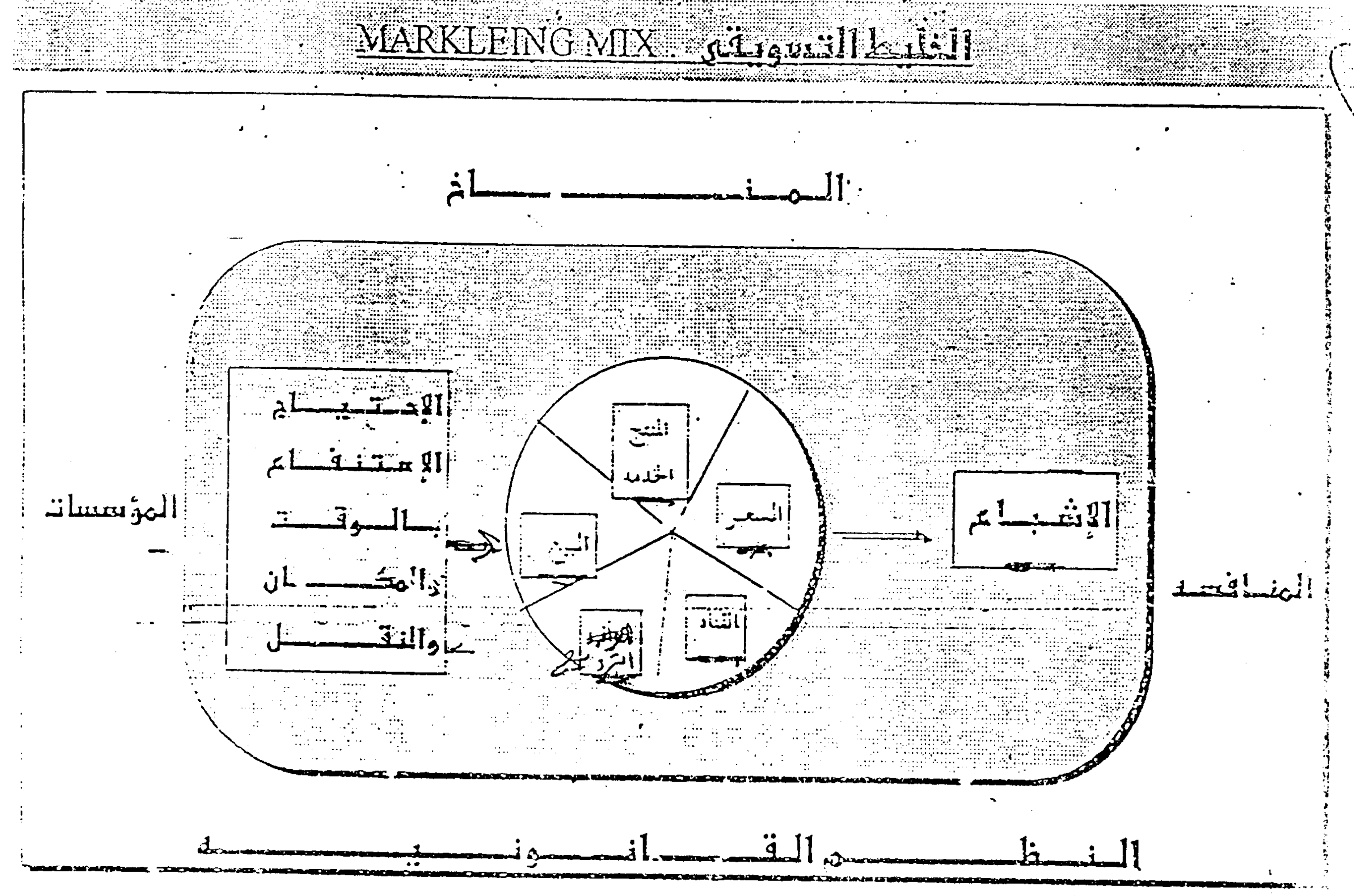
Marketing is

The way to achieve good transportation in order for the customers to have satisfaction by marketing mixture.

Marketing mix

The marketing mixture depends on customer satisfaction throughout groupage of variables
Equity of these variables and mixture, which result in the high

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satisfaction to the customers
Improvement of the mixture in a good form so that the customer satisfaction can be of the most successful marketing policies

A product or services

When the product is in the transportation phase usually doesn't have a constant profit, the important is the departure time and the mean time for the product to arrive

Which is one of the important elements that attract the customer and let him take the good decision from other competitors
Moreover the product can be important to the shipping industry and the distribution is not fairly clear.
And the product as we clarified before is a mixture of different mixtures with different levels, which the company seeks to offer to gain the customer satisfaction needed

Price

Which is the main element through which the company gains its profit
Elasticity- the market must put an effect on prices at the different levels, which must achieve a huge mass production

Distribution channels

Example freight forwarders
Public channels are used to do the job with high efficiency rather than using marketing company.

Customers usually renew their broker
The shipping company must insure that they exist by publicity.

Advertising (publicity)
*Advertising through media
Advertisement for selling by contracts
Journalism advertising

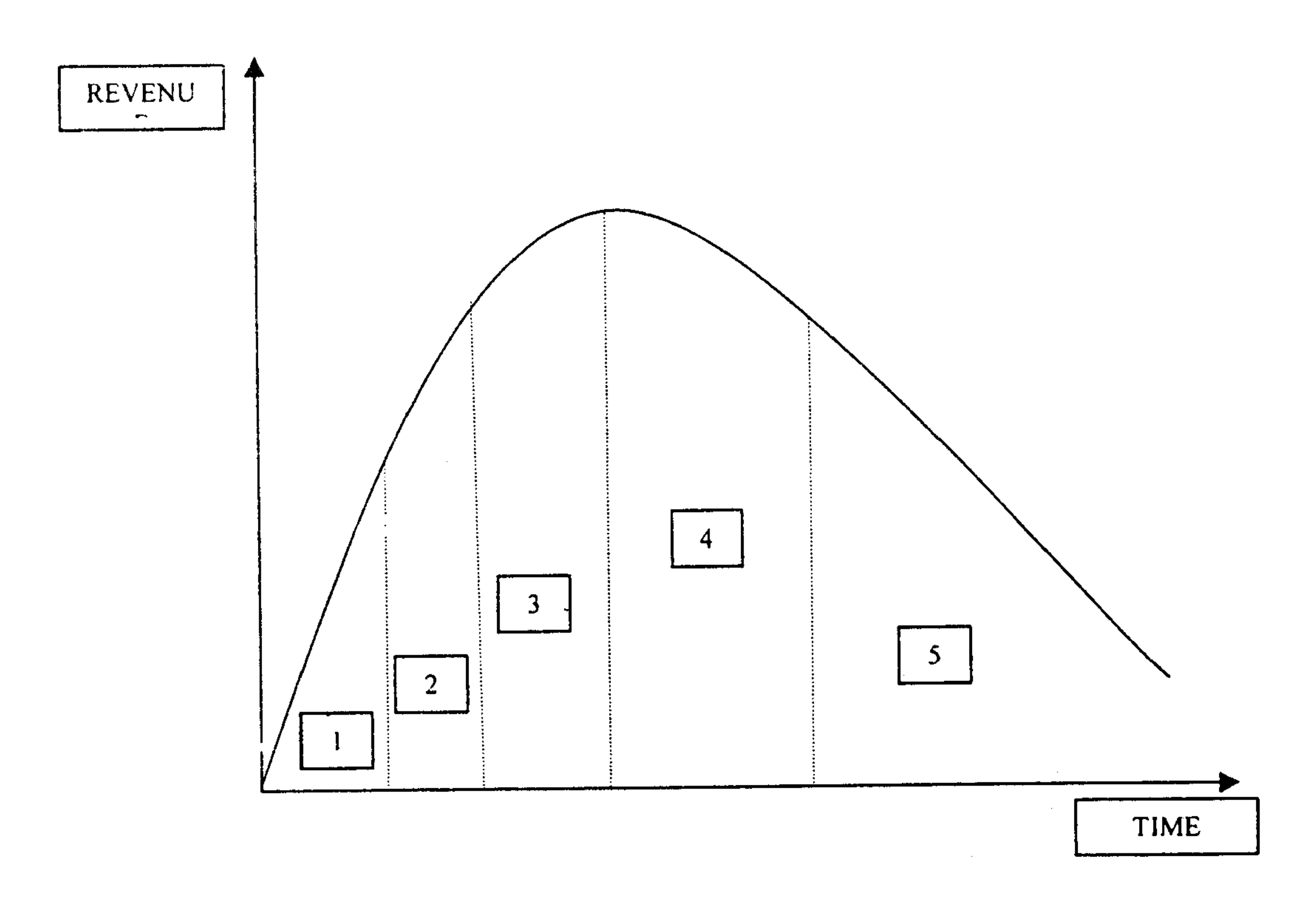
Selling
The company that works in cargo transportation
The person in charge acts by performing his duties to ensure problem solving and customer advising
He may be called for investment and for experience and general knowledge
Outside conflicts

Legal positions
As the prices of transportation and distribution are affected by the legal stress and the international organizations which are considered out of market control

Product or service's life cycle

Modern technology helped in the evolution of the product such as it worked on shorting the life cycle of the other products in the public cargo ships.

Services Life Cycle



1=Introduction

2= Growth

3= Maturity

4= Declining

5= Decreasing

Representing « Introduction »
Presenting the service at a high level of expectation for the knowledge of its existence, which usually affects the income as it may appear at a very low level or not exist at the first place.

Development « Growth »
The need increases on the services through the advertising campaign done.

Growth « Maturity »
Still the profit increase but in a low level while the situation of the market has gone to its peak and pushed to the limits.

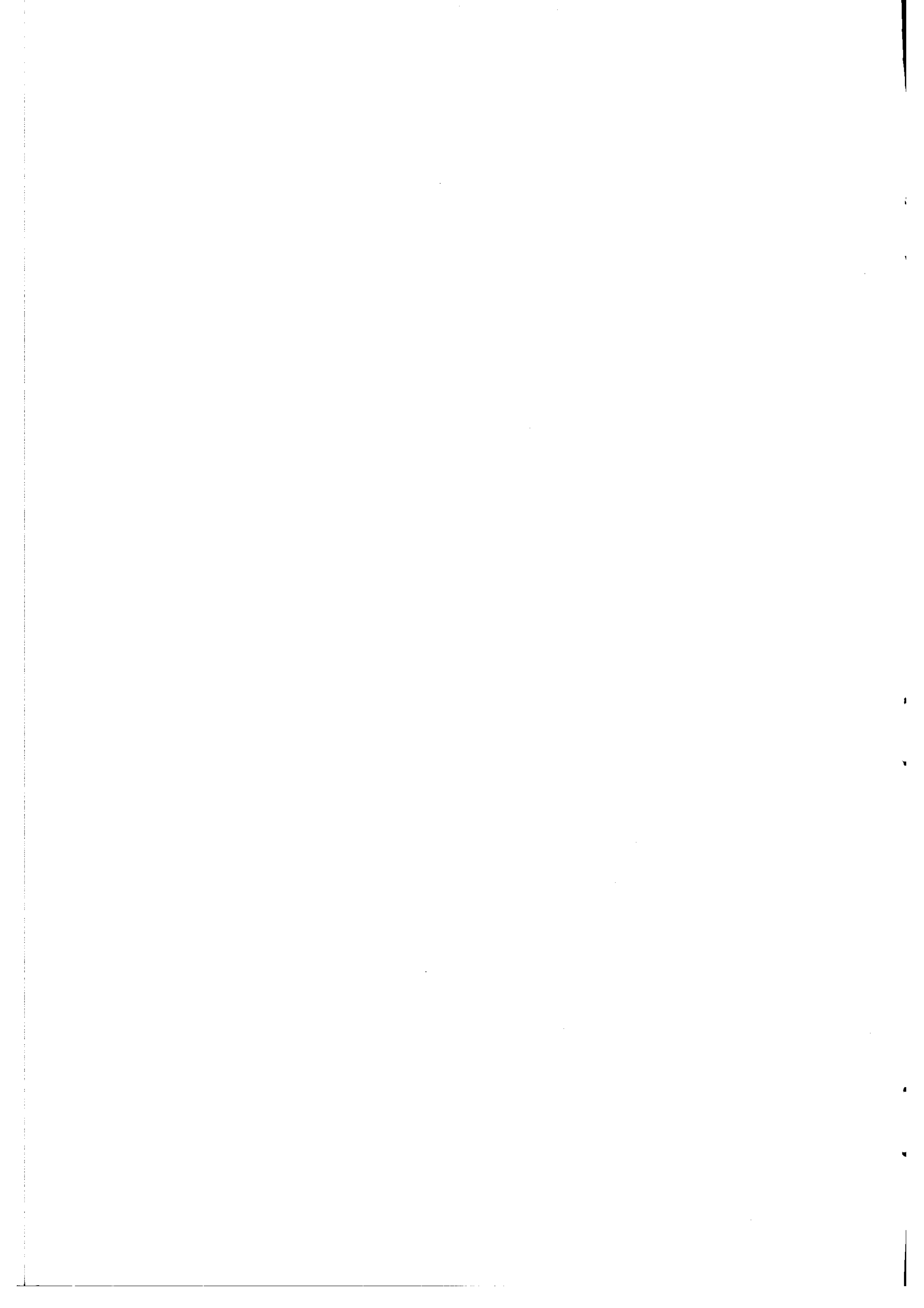
Landing « DecLining »
The profits reached its peak and its impossible to increase and the stresses on the margin became very competitive.

Decreasing
When some competitive products are emerging in the market the original product losses its standard gradually

In reality the product life cycle can reach its peak in the market place concerning its profit even before its service comes to the best state.

Chapter Ten

INCOTERMS



INCOTERMS 2000

are internationally accepted commercial terms defining the respective roles of the buyer and seller in the arrangement of transportation and other responsibilities and clarify when the ownership of the merchandise takes place. They are used in conjunction with a sales agreement or other method of transacting the sale.

EXW EX WORKS (... named place) "Ex works" means the seller's only responsibility is to make the goods available at the seller's premises, i.e., the works or factory. The seller is not responsible for loading the goods on the vehicle provided by the buyer unless otherwise agreed. The buyer bears the full costs and risk involved in bringing the goods from there to the desired destination. Ex works represents the minimum obligation of the

seller.

FCA FREE CARRIER (... named place) This term has been designed to meet the requirements of multimodal transport, such as container or roll-on, roll-off traffic by trailers and ferries. It is based on the same name principle as F.O.B. (free on board), except the seller fulfills its obligations when the goods are delivered to the custody of the carrier at the named place. If no precise place can be named at the time of the contract of sale, the parties should refer to the place where the carrier should take the goods into its charge. The risk of loss or damage to the goods is transferred from seller to buyer at that time and not at the ship's rail. The term "carrier" means any person by whom or in whose name a contract of carriage by road, rail, air, sea, or a combination of modes has been made. When a seller has been furnished a bill of lading, way bill or carrier's receipt, the seller

duly fulfills its obligation by presenting such a document issued by a carrier.

FAS FREE ALONGSIDE SHIP (... named port of shipment) "F.A.S." or "free alongside ship" requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. Unlike F.O.B., F.A.S. requires the buyer to clear the goods for export and pay the cost of loading the goods.

FOB FREE ON BOARD (... named port of shipment) Under "F.O.B." or "free on board," the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer when the goods pass the ship's rail (i.e.,

off the dock and placed on the ship). The seller pays the cost of loading the goods.

CFR COST AND FREIGHT (... named port of destination) "CFR"requires the seller to pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods, as well as any cost increases, are transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. Insurance is the buyer's responsibility.

CIF COST, INSURANCE AND FREIGHT (... named port of destination) "CIF" is CFR. with the additional requirement that the seller procure transport insurance against the risk of loss or damage to goods. The seller must contract with the insurer and pay the insurance premium. Insurance is generally more

important in international shipping than domestic shipping, because U.S. laws generally hold a common carrier to be liable for lost or damaged goods.

CPT CARRIAGE PAID TO (... named place of destination) This term means the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage to the goods and any cost increases transfers from the seller to the buyer when the goods have been delivered to the custody of the first carrier, and not at the ship's rail. Accordingly, "freight/carriage paid to" can be used for all modes of transportation, including container or roll-on roll-off traffic by trailers and ferries. When the seller is required to furnish a bill of lading, way bill, or carrier receipt, the seller duly fulfills its obligation by presenting such a document issued by the person

contracted with for carriage to the main destination.

CIP CARRIAGE AND INSURANCE PAID TO (... named place of destination) This term is the same as "freight/carriage paid to (CPT)" but with the additional requirement that the seller has to procure transport insurance against the risk of loss or damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.

DAF DELIVERED AT FRONTIER (... named place) "Delivered at frontier" means that the seller's obligations are fulfilled when the goods have arrived at the frontier but before the customs border of the country named in the sales contract. The term is primarily used when goods are carried by rail or truck. The seller bears the full cost and risk in delivering the goods up to this point, but the buyer must arrange and pay for the goods to clear

customs.

DES DELIVERED EX SHIP (... named port of destination) Means the seller shall make the goods available to the buyer on board the ship at the place named in the sales contract. The seller bears the full cost and risk involved in bringing the goods there. The cost of unloading the goods and any customs duties must be paid by the buyer.

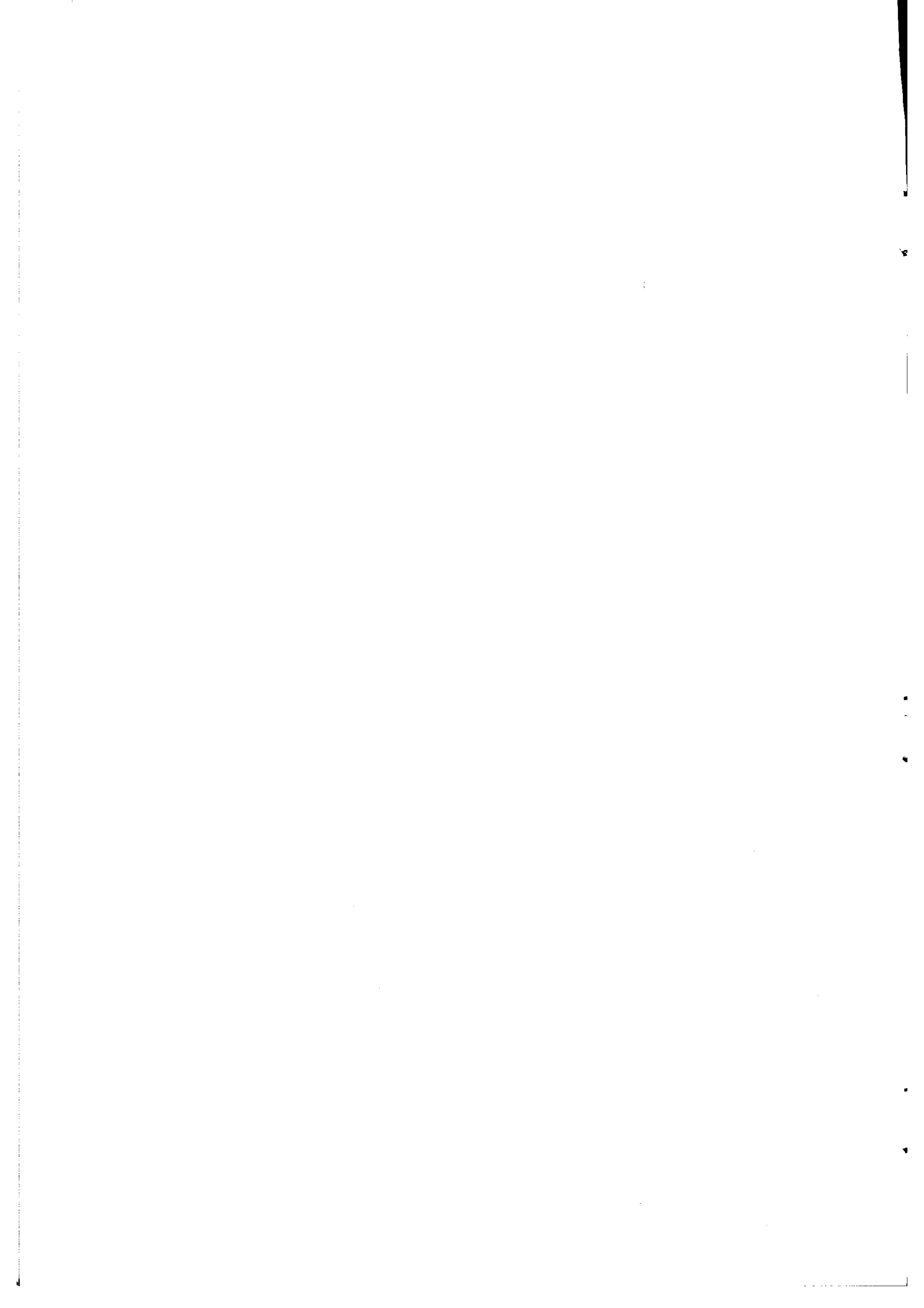
DEQ DELIVERED EX QUAY (... named port of destination) Means the seller has agreed to make the goods available to the buyer on the quay or the wharf at the place named in the sales contract. The seller bears the full cost and risks in delivering the goods to that point including unloading.

DDU DELIVERED DUTY UNPAID (... named place of destination) Under these terms, the seller fulfills his obligation to deliver when the goods have been available to the buyer uncleared for import at the point or place of the named destination. The seller bears all costs and risks involved in bringing the goods to the point or place of named destination. There is no obligation for import clearance.

DDP DELIVERED DUTY PAID (... named place of destination) represents the seller's maximum obligation. The term "DDP." is generally followed by words indicating the buyer's premises. It notes that the seller bears all risks and all costs until the goods are delivered. This term can be used irrespective of the mode of transport. If the parties wish to make clear that the seller is not responsible for certain costs, additional word should be added (for example, "delivered duty paid exclusive of VAT and/or taxes").

Chapter Eleven

E-Commerce in Transport



Definition of e-commerce

_ Definition : Any method of using electronic Definition : Any method of using electronic communications and computer technology to communications and computer technology to conduct business conduct business

_ Increased use of Internet (over 80-fold during Increased use of Internet (over 80-fold during 1990's) with quarter of them purchasing on-line 1990's) with quarter of them purchasing on-line (US$110 billion) (US$110 billion)

_ E-commerce both as a trading platform and SCM E-commerce both as a trading platform and SCM concept

Features of e-commerce

_Involvement of small companies Involvement of small companies Made possible by common standards and availability of Made possible by common standards and availability of client access software client access software

_Closer Closer inter inter-relationship within the -relationship within the supply chain supply chain Leading to tailor-made customer services/products Leading to tailor-made customer services/products

_Developing a global market Developing a global market Effect on conventional systems and national Effect on conventional systems and national competitiveness

a trading platform and SCM concept

Implications for transport

_A new business strategy A new business strategy

"Build-to-order approach" meets customer needs "Build-to-order approach" meets customer needs quickly, accurately and at low-cost quickly, accurately and at low-cost

_Concern of transport being a bottle-neck Concern of transport being a bottle-neck Future of e-commerce hinges heavily on delivery Future of e-commerce hinges heavily on delivery Existing systems are not designed for internet Existing systems are not designed for internet retailing retailing

Implications of e-commerce on transport

_ Impacts on parties in the supply chain Impacts on parties in the supply chain

_ Impacts on transport demand Impacts on transport demand

_ Impacts on Impacts on distribution

Impacts on parties in the supply chain

_ Vertical integration between trading Vertical integration between trading partners partners Minimising Minimising stocks by up to the minute information stocks by up to the minute information Former Former intermediation intermediation roles becoming redundant roles becoming redundant

_ Appearance of new functions and Appearance of new functions and companies providing information service companies providing information service

Impacts on transport demand

_Two scenarios depicted in freight Two scenarios depicted in freight transport transport Increased demand by small JIT shipments Increased demand by small JIT shipments Reduced demand by exploiting all opportunities Reduced demand by exploiting all opportunities

_Impacts on transport as a whole is also Impacts on transport as a whole is also unclear

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